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Space-Talk Failure: 'Curious Anomaly' Or Same Old Thing?

By Don Oberdorfer
Washington Post Service
WASHINGTON — Statements out of the Soviet Union and California this past week seemed to end one of the strangest episodes in recent years between the nuclear superpowers as the prospect of early Soviet-U.S. talks on space weapons all but vanished.

The Soviet Union began with a surprise proposal June 29 that space talks be opened in Vienna in September. The Reagan administration accepted within hours. The two governments then spent most of the next month haggling over the details in what seemed to be a dialogue of the deaf. Moscow quickly rejected the terms on which Washington accepted the offer. The U.S. administration sent new messages modifying and "clarifying" its initial stand, but these, too, were spurned by the Kremlin.

In the final weeks, the real argument seemed to be over which side would take the blame for saying "no."

U.S. Confirms End of Lesser Polish Sanctions

The Associated Press
SANTA BARBARA, California — President Ronald Reagan on Friday canceled two of the lesser sanctions imposed against Poland after its 1981 crackdown on the Solidarity union movement. The president, responding to Warsaw's recent amnesty for political prisoners, approved a resumption in scientific exchanges and lifted a ban on U.S. flights by LOT, the Polish national airline. PAF, the Polish press agency, reported the U.S. decision Thursday. Still in force is the suspension of most-favored-nation trading status, denying Poland lower tariffs on certain exports. The administration will also continue to oppose Polish membership in the International Monetary Fund.

change of private messages and public attacks left little room for agreement in the short run, although neither side officially abandoned the quest for a meeting. In the longer term, perhaps next year, according to statements made at a White House briefing, further discussions may bring about talks on outer space.

A frustrated senior White House official in Santa Barbara, California, called the episode "a curious anomaly" in the normal flow of U.S.-Soviet relations. But observers expressed concern that bitterness and cross-purposes between the superpowers were becoming the norm rather than the exception. Were the Russians ever serious about opening arms-control talks with the Reagan administration in September, at a critical point in the U.S. presidential campaign? If serious, what did they hope to achieve and, if not serious, what did they expect to gain? Why did the administration, faced with a possible political bonanza, handle the offer as it did? And where do U.S.-Soviet relations go from here?

Only tentative answers were available as government and other experts pored over the latest words from Moscow and Santa Barbara and looked back on the byplay of the past month. The main lines of informed opinion suggested that a September meeting in Vienna was never in the cards.

"From this latest Soviet statement, it appears that the Soviets were not serious about their proposal," the national security adviser, Robert C. McFarlane, said. In fact, many officials were dubious almost from the first about Moscow's purposes. When Ambassador Anatoli F. Dobrynin presented the Soviet talks proposal to Secretary of State George P. Shultz in a private meeting July 29, there was brief optimism within official ranks. But then Moscow announced the plan publicly several hours later, in a publicity campaign that Mr. Dobrynin had not mentioned, and doubts grew swiftly over whether the Russians were serious. The Reagan administration had let the Soviet Union know earlier that it was willing to engage in preliminary discussions, but not to negotiate, on space weapons. The Soviet foreign minister, Andrei A. Gromyko, taking the opposite tack, informed U.S. officials personally that the Kremlin would engage in formal negotiations on space weapons whenever the United States was ready, but would refuse to engage in mere "discussions."

From the administration's viewpoint, the June 29 proposal sud-



HOSTAGES RELEASED — Red Cross workers evacuate a 3-year-old girl and a 12-year-old boy from a bank in a suburb of San Salvador, where gunmen were holding hostages. A bank guard was killed, but the gunmen surrendered Friday. Also, a U.S. Senate committee has approved a request for more military aid to El Salvador. Page 3.

Knesset Narrowly Supports Peres

By Glenn Frankel
Washington Post Service

JERUSALEM — Shimon Peres, the Labor Party leader, has emerged as the favored candidate to form a government to break Israel's electoral deadlock. The new members of Israel's 120-member parliament, the Knesset, who were elected on July 23, have narrowly recommended that President Chaim Herzog ask the opposition leader to be the prime minister-designate, United Press International reported. In meetings with Mr. Herzog that ended Friday, 60 members recommended that Mr. Peres get the job, and 54 favored Prime Minister Yitzhak Shamir. Five members chose no one, and the militant Rabbi Meir Kahane, the 12th member, was excluded from the meetings. Mr. Peres, who is expected to be formally approached early next week by Mr. Herzog, faces formidable obstacles that could sabotage his efforts.

Analysts say he and his principal opponents in the Likud bloc ultimately will be forced, against their personal and political preferences, to combine in a government of national unity headed either by him or another Labor Party figure. That could prove the most rational means to end the political paralysis that took hold after both major blocs fell far short of the 61 seats needed to rule the Knesset. While either side theoretically could form a government, Mr. Peres holds a fragile advantage for reasons that include ideological differences and local rivalries. Six of the remaining uncommitted seats belong to two leftist parties whose members would definitely oppose any government formed by the rightist Likud bloc, but would likely abstain in a no-confidence vote on the left-leaning Labor Party. At the same time, the Likud has



Shimon Peres

had trouble uniting the country's three main religious parties because two of them, the old guard National Religious Party and the newer Sephardi Torah Guardians, are at odds over who should get to head the coveted Ministry for Religious Affairs.

Boats Reportedly Fired On
Lebanese Army units in West Beirut shot at two Israeli gunboats on Friday, Beirut radio said, according to a United Press International report.

In the port city of Tripoli, north of Beirut, rival Muslim militias exchanged sniper and grenade fire while Israeli gunboats cruised offshore, the Christian-run Voice of Lebanon radio said. In Tel Aviv, the Israeli Navy denied that its boats had been attacked off Beirut's shores, but a Lebanese Army statement on Beirut radio said units at Ramlat al-Baida, a West Beirut beach, had shot at two approaching Israeli gunboats, forcing them to go back out to sea. Battles in Tripoli erupted after the assassination Thursday of Dr. Ismat Murad, a Sunni Muslim militia leader. In subsequent clashes, two militiamen were killed and seven injured, Voice of Lebanon radio said.

Lance, Under Fire, Quits Mondale Campaign Post

By Milton Coleman
and Bill Peterson
Washington Post Service

NORTH OAKS, Minnesota — Bert Lance has resigned as general chairman of Walter F. Mondale's presidential campaign, saying the dispute over his appointment three weeks ago made him "a source of diversion" for the campaign instead of a "resource of development."

Mr. Lance, in a letter that he asked be delivered to Mr. Mondale on Thursday, said his action was "solely directed by my own initiative" and he expressed no regrets about the vaguely defined role he was to play in Mr. Mondale's election effort. The appointment had created a serious political problem for the Democrats. Mr. Lance's critics said Mr. Mondale should not have given such a prominent role to a man who left the administration of President Jimmy Carter under a cloud. In 1977, Mr. Lance resigned as director of the Office of Management and Budget after bank fraud accusations. He was subsequently acquitted of charges of banking irregularities.

Mr. Mondale arrived in Minnesota on Thursday evening from a three-day campaign swing, talked with Mr. Lance by telephone for about 10 minutes and accepted the Georgian's resignation. "I regret Bert's decision, but I respect it," Mr. Mondale said in a statement issued by his campaign press office. "In recent days he has been subjected to some very tough and adverse publicity. I understand his desire to protect his family from additional pain."

In a statement issued from his home in Calhoun, Georgia, Thursday night, Mr. Lance said: "As I said in my letter, I did not want to be a source of diversion from the Mondale-Ferraro ticket. It appears no matter what I did or tried to do, that would not be the case. I came to the conclusion that it was in the best interest of all to stand aside." A friend said Mr. Lance had been agonizing over his decision and began drafting his letter of resignation Sunday night. Mr. Mondale's choice of Mr. Lance, first to replace Charles T. Manatt as chairman of the Democratic National Committee and later for general chairman of his campaign, drew sharp criticism from some fellow Democrats.

Mr. Mondale's campaign manager, Robert G. Becket, said Thursday night that he and other Mondale advisers, eager to find a key role for a man they considered an extraordinary politician and a good friend, simply had underestimated the adverse reaction. For nearly a week, Mr. Lance had been reported to be dejected and dismayed by his low profile in the campaign. But Mr. Becket, who met with Mr. Lance for four hours earlier Thursday in New York, said Mr. Lance told him those reports were inaccurate.

Instead, it was the re-emergence of questions about the financial dealings of Mr. Lance, a banker and chairman of the Georgia Democratic Party, that drove him to quit. Some Democrats had argued that the choice of Mr. Lance was a link to the defeated Carter administration and also inhibited Mr. Mondale's ability to campaign on what he has referred to as the "sleaze factor" of President Ronald Reagan's administration. This referred to allegations of financial improprieties by some members of his administration, most notably Edwin Meese 3d, the president's counselor and his attorney general-designate.

Democratic Party leaders, including some Southerners, expressed relief Friday that Mr. Lance is no longer an official part

of Mr. Mondale's campaign. The Associated Press reported. "It was about time," said David Freudenthal, Wyoming Democratic Party chairman. "From a strategic campaign point of view, he was excess baggage. He appeared to cause considerable friction between Democratic Party regulars, even in the South."

Senator Sam Nunn of Georgia said he believed the resignation "will be a negative, but I don't think a campaign for president turns on who is the chairman of the campaign."

William Winter, former governor of Mississippi and a candidate for the Senate, said of Mr. Lance's resignation, "I don't think that's the basis on which the South is going to be lost or won." He said



Bert Lance

New York Stocks Soar; Volume Sets a Record

United Press International

NEW YORK — A record 236.57 million shares traded on the New York Stock Exchange on Friday. The Dow Jones average soared 36 points to a six-month high of 1,202.08, its biggest surge since late 1982.

The rally, based on the belief by investors that interest rates will decline as the economy slows, was the biggest in the 192-year history of the exchange. "This is definitely the beginning of the second leg of the bull market," Marvin Katz of Sanford C. Bernstein & Co. said.

Mr. Katz called it a "replay" of August 1982, when Henry Kaufman, the Salomon Brothers economist, "articulated and said interest rates were coming down."

The Dow Jones industrial average, which rose 31.47 Thursday, finished at the highest level since it closed at 1,213.88 on Feb. 2. Friday's gain was the largest since the average climbed 36.43 on Nov. 30, 1982.

The average of 30 blue-chip stocks gained a record 87.46 for the week, topping the previous mark of 81.24 in the period ended Aug. 20.

1982, the first week of the bull market of the 1980s.

It has climbed 115.51 in the eight sessions since it hit a 17-month low of 1,086.57 on July 24.

Advancing stocks led declining ones by a ratio of more than 4 to 1. The 236.57 million shares traded, up from Thursday's previous record 172.83 million, brought the week's total to an unprecedented 696.16 million shares. The previous weekly mark was 592.45 million, set Oct. 15, 1982.

A record 4,702 block trades of 10,000 shares or more were handled, up from Thursday's 3,579, as institutions with cash on hand bought stocks in block trades of 250,000 to 500,000 shares to avoid being left out of a major market move.

Analysts said the surge was fueled by the Federal Reserve's report late Thursday that the U.S. money supply dropped an unexpected \$1.7 billion in the latest period.

The drop took pressure off interest rates and produced a rally in the bond market, where prices have

29 Killed in Explosion At Airport in Madras

The Associated Press

MADRAS, India — At least 29 persons were killed late Thursday when a bomb exploded in a suitcase at the Madras international airport, officials and witnesses said Friday.

The explosion blew out a wall of Meenambakkam Airport's customs hall and caused the ceiling of the arrival lounge to cave in. At least 30 persons were in the lounge waiting for a flight to Abu Dhabi when the bomb exploded, officials said.

"The lounge was shattered. We don't know how many people were in there," said Kumaraswamy Chockalingum, chief secretary of the Tamil Nadu state government, of which Madras is the capital.

By late Friday 29 bodies had been recovered, many of them mutilated and dismembered by the force of the explosion. Workers continued to dig through the rubble in search of more victims.

At least 15 persons reportedly were hospitalized. Sources said airport authorities received three anonymous telephone calls warning that a bomb would explode, but the airport was not evacuated.

K.K. Gulati, general manager of

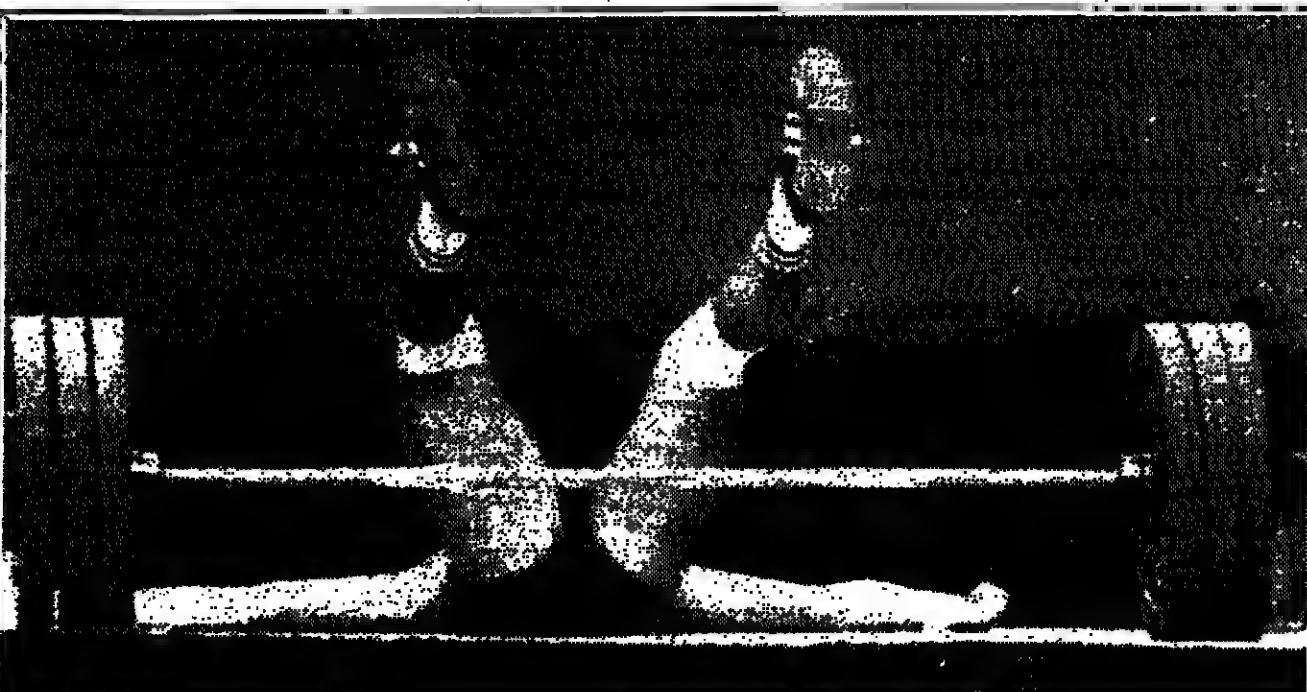
the airport, said bomb threats are frequent — as many as one or two a week — but they have always been hoaxes.

Airport officials, who did not want to be identified, said the warning calls may have been placed by an unidentified man who bought a ticket for a flight to Sri Lanka but did not get on the plane. Officials said the bomb evidently was in a piece of luggage intended for an Air Lanka flight that left Madras for Colombo at 7:20 P.M. Because nobody claimed the suitcase and checked it through preflight security, it was taken to the customs area, where it exploded at about 10:52 P.M.

The airport was sealed off, a spokesman said, and all international flights were canceled to and from Madras, a port on the Bay of Bengal about 220 miles (350 kilometers) north of Sri Lanka.

Officials speculated that the device might have been placed by extremists supporting the struggle by Sri Lanka's Tamil minority for a separate state.

Authorities at the international airport said they received another anonymous phone call Friday saying a bomb had been planted in a cargo area.



Dean Willey of Britain loses a battle with a 135-kilogram (297-pound) barbell in the snatch portion of the 67.5-kilogram Olympic weightlifting class. The Briton finished fourth in his class by lifting 310 kilograms in two events.

IOC Complains Olympic TV Coverage Favors U.S.

By Michael Goldsmith
Associated Press

LOS ANGELES — Juan Antonio Samaranch, president of the International Olympic Committee, has formally complained that the ABC television network's Olympic coverage is too U.S.-oriented and often overlooks the achievements of other teams, officials confirmed Friday.

Mr. Samaranch's complaint was included in a letter to Peter Ueberroth, president of the Los Angeles Olympic Organizing Committee, Mr. Ueberroth said. The committee's press chief, Richard Perelman, said Mr. Ueberroth was taking the matter up with ABC.

IOC officials, insisting on anonymity, said the complaint had originated with the foreign television companies, whose Olympic coverage depends exclusively on the "basic signal" provided by ABC.

Tom Osenton, ABC's manager of Olympic publicity, said the complaints were based on "what we believe is a misconception." He said the misconception was "that what they're seeing on TV in Los Angeles is what the world is seeing."

He said the broadcasts were tailored for each country's needs by native broadcasters. Mr. Osenton added that the telecasting in the United States "reflects what has happened."

"The Americans," he said, "have dominated the Olympics early and the show has reflected that."

The IOC officials said the foreign television companies had addressed a joint protest against

Olympic stories, results on Pages 12, 13.

ABC's coverage to Mr. Samaranch Thursday. Under a \$225-million contract between ABC and the Los Angeles committee, ABC has exclusive rights to live Olympic coverage within the United States, while also providing the basic signal for foreign broadcasts.

The foreign companies complained that ABC failed to respect the terms of its contract, which called for balanced coverage of U.S. and foreign athletes, the officials said.

A number of foreign Olympic athletes and coaches have complained that their performances in the Games were being overlooked or

slighted by the ABC camera crews' predominant focus on U.S. athletes.

Mr. Samaranch passed the matter on to Mr. Ueberroth, adding the IOC's own backing to the complaint. The text of Mr. Samaranch's letter was read to a meeting of the nine-member IOC Executive Committee early Friday by the IOC director, Monique Berliouze, and received the committee's unanimous approval, the officials reported.

Spokesmen for various Olympic teams said complaints that the Olympics were too Americanized extended beyond television coverage, to commercialization of venues and to excessive patriotism by spectators.

Newspapers in the United States have reacted to the coverage. A New York Times columnist, Ira Berkow, wrote that in the television being presented to Americans, "United States athletes are either winning gold medals, are close to winning them or have just missed winning them and there will be a next time."

"In the most hallowed tradition of Hollywood, ABC is bringing us out from the Old West the dusty tale of the good guys against the bad guys. The good guys is 'us,' the bad guys is 'them.'"

INSIDE

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MONDAY
Ten years after his resignation, Richard M. Nixon remains a human mystery. A report by Bob Woodward.

One Free Sundae and One Draft Card U.S. Selective Service Uses Ice Cream Company's Lists

By Mary Ann Sieghart
Washington Post Service

WASHINGTON — The Selective Service System has acknowledged that it paid \$5,687 last year for an ice cream company's list of 167,000 names of boys who would be 18 this year so that it could remind them to register for the draft.

The company, Farrell's Ice Cream Parlor Restaurant, a large national chain, said it was "outraged" that its list had been passed to the government without its permission.

Farrell's encouraged children to fill in a form with their name, address and date of birth. The ice cream parlor would then write to the children inviting them to a free sundae on their birthday. The company has kept a list of the children's names and addresses and sometimes rents it through a direct-mail broker.

"The broker is authorized only to let people use the list with our written permission," said Alexander Hehmyer, senior vice president and general counsel of Farrell's. "We have no record of any request by government. We were shocked and outraged; we would never give permission for its use by a government agency."

The broker, George Mann Associates of New Jersey, has acknowledged to Farrell's that it allowed the Selective Service to buy the list without first checking. It is trying to ensure that there are no other instances of unauthorized use.

Since 1980, young men have had to register for the draft within 30 days of their 18th birthday. Selective Service tries to trace those who have not done so through driver's license records and, sometimes, Social Security cards and the Internal Revenue Service. According to Jim Parish, director of marketing services for Mar-

ket Compilation and Research Bureau of Los Angeles, lists can be compiled out of anything — from registers for sports camps to records of children who send in bubble-gum wrappers to get free baseball bats.

"I don't feel strongly it's immoral," he said.

Nor does Will Ebel, director of public affairs for Selective Service. "We do everything we can to get every 18-year-old to register," he said. "Our concern is equity. If your son registers, the guy who lives across the street who is 18 should have to register, too."

But Mr. Hehmyer, the Farrell's official, said, "It smacks of big brother government and use of information by the government that citizens would not want used. I have two young sons and would be very upset if I thought I could sign them up for a free ice cream at Farrell's and they'd hear from the draft."

Spain's Carrot-and-Stick Policy Gains Ground Against Basque Guerrillas

By Tom Burns

Washington Post Service

MADRID — Tough police tactics, improved international cooperation in fighting terrorism and an amnesty for repentant guerrillas are part of a comprehensive carrot-and-stick approach to containing the Basque separatist group, ETA.

"ETA is facing the greatest difficulties it has ever encountered in its history, and this is going to bear fruit," said General Andres Castiella, head of the civil police force, which has had a leading role in combating ETA in the past two decades.

Officials at Madrid's Interior Ministry are encouraged that in clashes between police and ETA gunmen this year the security forces have gained the upper hand.

There is optimism, too, over increased collaboration, through the international police agency, Interpol, with the French and Belgian police.

On July 14, the Belgian government, in what Madrid officials called a breakthrough, handed over to Spanish authorities two wanted ETA men.

ETA, the Basque-language initials of Euzko Askatasunaren Erakundea, has a record of violence dating to the mid-1960s. The group seeks to set up an independent state in northern Spain for the ethnic Basque community.

Officials said there have been more than 500 victims of Basque political violence since ETA began its activities. On July 19, a police sergeant, shot in the back of the head near Bilbao, became the 28th casualty of Basque violence in Spain this year.

Mr. Castiella, who is considered one of the top anti-terrorist experts in Spain, said "there is an intuition that things are going well" for the security forces and that "ETA is not indestructible."

"Allegations that ETA gained through fear are now being broken," he said.

A symbol of new police aggressiveness was a June gun battle in which two ETA men were killed and a third captured in the town of Hernani, near San Sebastian.

The captured man, José Maria Zabarte, one of the most wanted ETA gunmen and allegedly linked to a number of murders in the past decade, revealed during interrogation "a scenario of growing decomposition in the ETA chain of command," according to an Interior Ministry source.

In April, four ETA men were killed when police fired on them as they attempted to enter a harbor near San Sebastian at night in a rubber dinghy.

Since the beginning of this year, there has been a dramatic change in the tolerance that the Paris government had traditionally accorded the ETA. French

authorities have expelled 23 ETA members, deporting most of them to Central America, convicted six who received jail terms and detained eight more since the beginning of July.

The July arrests were carried out after warrants were issued by Interpol on behalf of the Spanish police. All eight detainees, identified by Madrid as dangerous ETA activists, are awaiting decisions by the French courts on extradition requests from Spain.

Another 20 Interpol warrants are said to have been issued.

Officials in Madrid said the arrests marked the first time that Interpol has become involved in anti-ETA operations and that this has occurred because European governments no longer view ETA members as political refugees.

To secure international cooperation, Prime Minister Felipe Gonzalez has persuaded other European governments that ETA's activities threaten the stability of democratic governments.

At the same time, the Spanish cabinet decided on July 18 to release five jailed ETA men who had testified that they had foresworn violence. The government is reviewing 37 more individual pardon applications out of a prison population of more than 400.

Officials are confident that the pardon negotiations, applicable only to ETA members who have not been

directly involved in murder, will encourage others to seek amnesty. The program is modeled after that used in Italy for members of the Red Brigades.

But if the ETA is unraveling, as Mr. Zabarte suggested, it is mostly due to the activities of GAL, the initials in Spanish of an anti-terrorist rightist squad that has been operating among the Spanish Basque community in southwest France since December.

It is believed that the organization has been responsible for the murders of eight ETA members in the past nine months and for the disappearance of two others, who were kidnapped and not seen again.

Persistent press reports in Spain say that GAL is formed by contract killers recruited from the French underworld and supplied by intelligence services with information on the whereabouts of ETA members. The Spanish government has denied it has any connection with the anti-ETA actions and no GAL members have been brought to trial in France.

The Spanish Interior Ministry source said the GAL operations had "unquestionably contributed to the weakening of ETA."

As a consequence, the ETA leadership in southwest France reportedly has been forced further underground and is having difficulty maintaining contact with the organization's rank and file.

WORLD BRIEFS

Rights Court Rejects Barbie Appeal

STRASBOURG, France (AP) — The European Commission on Human Rights has dismissed a complaint from lawyers for Klaus Barbie, the Gestapo chief in Lyon during World War II, that his rights were violated when Bolivia turned him over to the French authorities last year.

Mr. Barbie, who is imprisoned in Lyon awaiting trial on charges of crimes against humanity, was expelled from Bolivia in February 1963 and flown to French Guiana, where he was taken into custody by the French. The European Commission did not comment on its decision. French courts have rejected several similar petitions claiming Barbie was illegally extradited.

Civil, Military Accord Seen in Uruguay

MONTEVIDEO (UPI) — Political leaders have made public the terms of an agreement negotiated with Uruguay's military government for a restoration of "complete democracy" next year. The military government has been in power for 11 years.

The agreement, reached Wednesday night after three days of negotiations, provides for the election Nov. 25 of a president and legislative assembly who will take office March 1, 1985.

The negotiations involved the Colorado and Civic Union parties, other political parties and the commanders of the three armed forces. The political leaders met all day Thursday to discuss the agreement and said that they expected to approve it later Friday. However, the Blanco party refused to participate while its presidential candidate, Wilson Ferreira, remained imprisoned on charges of having links with subversives.

U.K. Opposes EC Concession to Libya

LONDON (Reuters) — Britain has told the European Community that the time is not appropriate for an agreement giving preferential trading terms to Libya, the Foreign Office said Friday.

Britain had expressed misgivings at recent meetings of EC foreign ministers, including one last month, about Libyan requests for such an association, a spokesman said. He said that it was unlikely that Libya would win agreement on trade favors without Britain's consent.

Britain broke off relations with Libya after a policeman was shot to death in April outside the Libyan Embassy, or people's bureau. Police established that the shots had been fired from inside the embassy. Six Britons were detained in Libya after the shooting and the expulsion of Libyan diplomats from Britain, and are still being held without charge.

West Blamed for Economic Crisis

VIENNA (UPI) — The Soviet Union on Friday blamed the capitalist West for the Third World economic crisis and said it was the West's responsibility to resolve it.

Mikhail G. Kruglov, a Soviet delegate to the United Nations Industrial Development Organization conference, said the only way out for developing countries was through centralized, state-controlled economies. Western sources said the speech restated familiar stands but was unusually aggressive.

"The main responsibility for the catastrophic impact of the crisis on the economy of the developing world lies with developed capitalist countries," Mr. Kruglov said. "It is evident that the same countries must bear the main responsibility for the removal of the dire consequences."

Thailand Earmarks Funds for F-16A

BANGKOK (Reuters) — The Thai Air Force said Friday it would allocate about 14 percent of its annual budget to buy a squadron of advanced F-16A jet fighters from the United States at a cost of \$300 million.

The U.S. government says it has received no formal request from Thailand for the plane. Bangkok has long been seeking U.S. permission to buy the F-16A although the Pentagon said the made-for-export F-20 or the F16-79, a less costly version of the F-16, would be better for Thailand.

Plan for Honecker Trip Is Disclosed

BOON (Reuters) — A government spokesman in Bonn disclosed Friday details of the visit to West Germany planned next month by the East German leader, Erich Honecker.

The spokesman, Peter Boenisch, said that Chancellor Helmut Kohl was still assuming that the visit would take place. If it begins as planned Sept. 26, it will make Mr. Honecker the first East German Communist Party leader to visit West Germany. Other Bonn officials said that practical preparations were well advanced, but that a formal announcement would only be made at short notice.

Western diplomats said East Berlin showed uncertainty Friday over criticism in the Soviet press of links with Bonn. The Communist Party newspaper Pravda on Thursday made its most bitter attack to date on Bonn's recent backing of credit for East Germany in return for eased travel restrictions.

For the Record

Greek and Turkish Cypriots will confer separately with the United Nations secretary-general Monday in Vienna. UN sources in Nicosia said Friday it might be a last chance to prevent the permanent partition of the island.

The Greater London Council's leader, Ken Livingstone, and three other members resigned as expected Thursday to force a local election over Prime Minister Margaret Thatcher's plan to abolish the council. (AP)

North Korea has fined three Japanese fishing boats seized last week \$8.8 million yen (\$139,000) for intruding into its 200-mile (324-kilometer) offshore economic zone, a Japanese fishermen's association spokesman said Friday. (Reuters)

The Pentagon told Congress on Thursday that the Turkish government would pay \$129 million for conversion kits to upgrade 600 M-48 tanks, which are more than 30 years old, with better guns and engines. (AP)

The sixth and final leg of the Soviet Union's domestic pipeline project has been completed six months ahead of schedule, Tass said Friday. The agency did not say how much fuel the pipeline would carry or what areas of the country it would serve. (AP)

The Central African country of Burundi will hold a presidential election Aug. 31, the state-run radio reported Friday. (AP)

Former state Senator Victor Ashe, 39, of Tennessee easily won the Republican nomination Thursday for the U.S. Senate seat being vacated by the Republican majority leader, Howard H. Baker. Mr. Ashe will face a Democrat, Representative Albert Gore Jr., and an independent conservative in the November elections. (AP)

The National Aeronautics and Space Administration on Friday named eight persons, the largest flight crew to date, to a space shuttle mission in October 1985. The group included a woman, two West Germans and a Dutchman. (UPI)

A West German was sentenced Friday as a spy in Tampa, Florida. Ernst Ludwig Forbrich, 44, an auto mechanic, was sentenced to 15 years in prison for buying U.S. military secrets to pass to East Germany. (AP)

Swedish Firm Yields to Ban On Exports to Eastern Bloc

STOCKHOLM — L.M. Ericsson, the Swedish telecommunications company, has dropped out of the East European market for digital telephone exchanges under the pressure of U.S. restrictions on high-technology exports to the Soviet bloc, according to a company spokesman.

The spokesman said Friday that since the company judged it "highly unlikely" that it would get U.S. export permits for U.S.-made components "we will not be able to deliver our latest technology to Eastern Europe."

The test case for Ericsson, following the recent tightening of rules on the export of technology to the Eastern bloc, was Bulgaria. Ericsson and several other Western manufacturers tendered bids in January to supply a new generation of telephone exchanges to Bulgaria.

Ericsson's Western rivals pulled out of the bidding after the Coordinating Committee on Strategic Exports, which is based in Paris and which includes 14 North Atlantic Treaty Organization countries and Japan, decided July 13 to add telecommunications switching gear to its embargo list.

The company's vulnerability is due to its heavy reliance on U.S. components in such sophisticated systems as the AXE digital exchanges it was trying to sell to Bulgaria. The system has already been sold to 54 countries, including China and Yugoslavia.

The United States persuaded its COCOM partners that telephone switching gear, large computers and other technically advanced equipment could be used in Eastern bloc defense programs.

Egypt Searches for Mines After Gulf of Suez Blasts

By Tom Burns

Washington Post Service

CAIRO — Egyptian Navy vessels equipped with mine-detecting devices were searching the Gulf of Suez, following mystery explosions that have damaged several merchant ships, military sources said Friday.

The U.S. Navy has sent a 15-member team of mine experts to Cairo to help with the investigation, a Defense Department spokesman, Lieutenant Colonel Michael L. Burch, said in Washington.

Iranian President Accuses France as Ex-Hostages Leave

By Tom Burns

Washington Post Service

TEHRAN — President Ali Khamenei, speaking shortly before the freed hostages of a hijacked Air France jet left for home, accused French leaders Friday of being "ignorant and stupid" and of harboring international terrorists.

The commandeered Boeing 737 was flown to Tehran, where the hostages were released unharmed Thursday and the hijackers surrendered to Iranian security forces just before an explosion damaged the aircraft's fuselage.

The released hostages, 55 passengers and five crew, arrived in France on Friday and were welcomed by Prime Minister Laurent Fabius.

Shortly before the plane carrying freed hostages left, Mr. Khamenei criticized France at a prayer meeting, saying that "its ignorant and stupid leaders gave asylum to the ugliest international terrorists, gave them shelter, supported them."

He said that those really responsible for terrorism were leaders of big countries — France, the United States and others.

Mr. Khamenei referred to the hijackers of the French airliner as "three young Arabs," but there was no indication of what had happened to them after their surrender. They had demanded the release by France of five persons involved in an assassination attempt on former Prime Minister Shahpur Bakhtiar of Iran in Paris in 1980.

CHURCH SERVICES

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AMERICAN CATHEDRAL IN PARIS, 23 Ave. George V, 75008 Paris, The Very Rev. Joseph A. Leo, Dean, Metro George-V or Alésia-Montparnasse. Sunday: 9 a.m., 11 a.m. Church school and nursery 11 a.m. Weekdays: 12 noon. Tel. 720-17-92.

AMERICAN CHURCH IN PARIS, 45 Quai d'Orsay, 75007, Tel. 705-07-99, Sunday worship 11 a.m. All denominations.

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PARIS SUBURBS

SEMI-ANGLO-BAPTIST CHURCH, Breuille-Montmorency, English speaking, all denominations, Bible study 9:45, worship: 10:45, 56 Rue de Breuille-Montmorency, Tel. 749-15-29.

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THE AMERICAN CHURCH IN LONDON, 19 Tottenham Court Rd. W1, Sunday worship 11 a.m. Church school 9:45. Tel. 580-2191. Rev. Ron Allison.

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PARIS BOMBING — The headquarters of the European Space Agency in central Paris, damaged by a bomb early Friday. The anarchist group Direct Action took responsibility. The attack, in which six persons were hurt, came two weeks after the group set off three blasts in three days at institutions connected with NATO.

Officers Wary of Anti-Satellite Arms

By Leslie H. Gelb

New York Times Service

WASHINGTON — Senior military officers, countering the view of some civilian leaders, have expressed reservations about the need for a low-altitude anti-satellite weapon, according to administration sources.

Important segments of the navy, in particular, are said to believe that ships at sea can evade detection by Soviet satellites, making it unnecessary to shoot them down. Given navy attitudes, the air force, which is responsible for financing the \$4-billion anti-satellite program, has proposed that the number of weapons to be procured be cut by half, to 21.

But civilian leaders in the Pentagon and in the Arms Control and Disarmament Agency have rejected those views and have sustained the program. They have opposed a Soviet proposal for a moratorium on testing anti-satellite weapons that would accompany the start of talks suggested by the Russians for September in Vienna.

The Soviet Union has tested what has been described by Americans as a primitive anti-satellite weapon. The United States plans tests this fall. There was speculation that President Ronald Reagan's opposition to a test moratorium could change if the Joint Chiefs of Staff decided that there was no need for the anti-satellite system.

The U.S. system, a missile with a homing device fired from an F-15

fighter, which is to be tested in the fall, would figure in any conference on banning space weapons. Prospects for a conference dimmed Wednesday because of differences over the terms for the negotiations. Administration officials said considerations of military needs would have an important bearing on the position of the Joint Chiefs of Staff in a review of the anti-satellite program now nearing completion. An interagency study on arms control alternatives was delivered to Mr. Reagan on Aug. 1.

The Joint Chiefs have not yet declared their formal position. The White House has asked them, as well as Secretary of State George P. Shultz and Defense Secretary Caspar W. Weinberger, to submit policy recommendations in the next two weeks on the anti-satellite program, known as ASAT.

"The chiefs are the key to this whole exercise," a Pentagon official said. "No forthcoming ASAT proposal can be made unless they say it is O.K. from a military standpoint. Right now, they can't agree among themselves what to say and most of

us are betting they won't want to take on Weinberger in a direct fight."

In the interagency studies thus far, the utility of anti-satellite arms control has been questioned by Richard N. Perle, assistant secretary of defense for international security policy; T. K. Jones, deputy undersecretary of defense for research and engineering; and Henry Cooper, assistant director of the Arms Control and Disarmament Agency.

"They are said to favor at most a declaration on 'incidents in space' to avoid accidents."

Their rationale is that the United States needs the bombing-device weapon cluster to destroy Soviet satellites before they spot U.S. naval forces or to deter an attack by Soviet anti-satellite weapons against U.S. satellites. They also maintain that bans would not be verifiable.

State Department officials favor a temporary ban until 1990 on low- and high-altitude kinetic energy weapons. Those systems, of the type now being developed, destroy satellites by impact.

Lance Resigns Mondale Post

(Continued from Page 1)

Mr. Lance had no particular following in the South outside Georgia.

Traditional Values Stressed

Bernard Weinraub of The New York Times reported earlier from San Antonio, Texas:

In his just-completed campaign drive that included the key Southern states of Mississippi and Texas, Mr. Mondale, heir to a liberal tradition, adopted uncharacteristically conservative campaign themes.

These included the limits of government, reduced spending, the rewards of hard work, law and order, patriotism, realism, and family and religious values.

"It's an evolution of where Mondale has always been," said Martin Kaplan, the candidate's chief speechwriter. "To think that Reagan has a trademark on themes like patriotism and family values and hard work is crazy. We're not ceding those questions, that turf, to anybody."

Another aide said: "There's no question that the Mondale running in '84 is different from the Mondale

in '80 and '76. He's learned a great deal and changed."

Several Mondale aides said that in the primary campaign the candidate was, essentially, forced to trim his message by appealing to traditional Democratic voters, such as trade unionists. Now, the focus is reaching beyond limited constituencies.

Partner of Block

Got Low-Interest

Loan for Farms

Washington Post Service

WASHINGTON — The main business partner of Agriculture Secretary John R. Block has received a \$400,000 emergency low-interest loan from the Farmers Home Administration for his farming operations in the Middle West.

John W. Curry, of Galesburg, Illinois, apparently qualified for the federal assistance because of losses from drought in 1983. The loan, to help Mr. Curry finance his activities on 13 farms in Iowa, Missouri and Illinois, was made when the farmers administration was refusing thousands of loan requests from other farmers in similar trouble.

While many large-scale farmers qualify for farmers administration loans, the federal aid program is regarded mainly as a "last resort" for smaller family farmers who are unable to get commercial loans.

There was no evidence that Mr. Block had intervened in Mr. Curry's behalf in the loan process, but their longtime friendship and business relationship is well known in Knox County, their home county in Illinois.

مكتبة الامم المتحدة

U.S. House Is of 2 Minds On a Question of Ethics

Public Condemnation of an Offender Masks Private Resentment of the Rule

By Steven V. Roberts
New York Times Service

WASHINGTON — In the House of Representatives on Tuesday, the lawmakers publicly condemned Representative George J. Brown for covering up his financial affairs. But in private they were voicing deep reservations about the rule they were taking.

At a press briefing Wednesday, the speaker of the House, Thomas P. O'Neill Jr., said that "the common talk in the cloakrooms" on Tuesday was edgy and uneasy.

Members saw a colleague who had been prosecuted by the Justice Department and convicted of four felony charges and they did not like it.

"The general discussion out here," said Mr. O'Neill, a Massachusetts Democrat, "was that it was wrong."

The cloakroom talk seeped onto the floor only at one point, when Representative Ron Paul, Republican of Texas, defended Mr. Hansen saying: "A bit of hypocrisy exists in this Congress."

And Mr. Hansen drew an appreciative laugh when he told the members that, if the law were strictly applied to all of them, Congress might be able to raise a quorum in a federal grand jury room.

Most House members felt that Mr. Hansen had deliberately tried to hide his business dealings. In any case, few were willing to take the risk of defending their colleague during an election campaign, and he voted to reprimand him with a censure.

No matter how they feel about Mr. Hansen personally, many lawmakers resent the Justice Department for bringing a criminal case against a member of Congress for failing to fill out the form required by the Ethics in Government Act.

As Mr. O'Neill noted, the law was drafted to include only civil penalties and it was "never the intent" of members of Congress to make themselves vulnerable to criminal prosecution. The Justice Department, their argument goes, went too far when it prosecuted Mr. Hansen under a general law banning false statements.

Moreover, some members complain that the ethics act makes spouses of public officials subject to unfair scrutiny. Of the four sanctions that Mr. Hansen did not report on his disclosure form, three involved his wife.

As Representative Bill Frenzel, Republican of Minnesota, said during the debate, "It is absurd to think that our spouses are elected to Congress and that their affairs are necessarily intertwined with

ours." The requirement that public officials report their spouses' financial dealings in most cases, Mr. Frenzel added, "is a bad feature of the law which ought to be removed."

The Ethics in Government Act was adopted in 1978, after the Watergate scandals, and it requires members of Congress and other high-ranking public officials to file annual reports detailing their financial assets and activities.

Representative Don Edwards, a California Democrat, has little sympathy for the complaints. The law, he says, "is good public policy" that prevents conflicts of interest. Without it, he added, "some members could be accused of hiding something."

Representative Nick J. Rahall, a West Virginia Democrat who is a member of the Committee on Standards of Official Conduct, says the law represents "a pretty even balance response to the excesses of Watergate."

Some members disagree. They say that the disclosure requirements make them and their families vulnerable to blackmail and kidnapping threats.

But the provision causing the most grumbling involves spouses and the issue was highlighted recently by two incidents. Senator Mark O. Hatfield, an Oregon Republican, acknowledged that he helped a Greek financier who had paid his wife \$40,000 in real estate fees. But the senator denied any impropriety, defending his wife's right to have "an independent career."

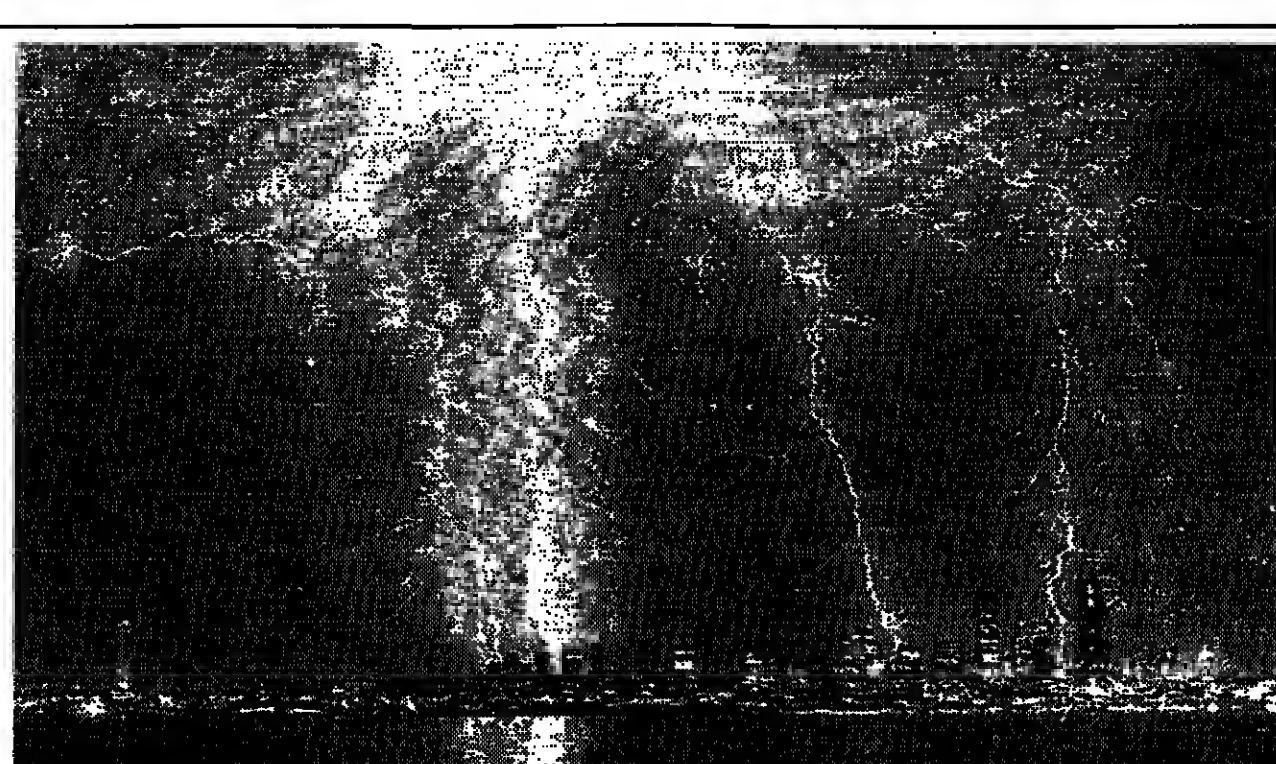
After Representative Geraldine A. Ferraro of Queens, New York, was nominated as the Democratic vice presidential candidate, it was disclosed that she had used a clause in the law that permits a public official to withhold information about a spouse's financial assets, as long as the official does not control, or benefit from, those assets.

Ms. Ferraro has promised a full disclosure of her own assets and those of her husband, John A. Zaccaro, a real estate broker.

Mr. Frenzel contends that the current law is unfair to congressional spouses.

"We're at a stage of societal development," he said, "where spouses have rights of their own and they shouldn't be lumped in with the spouse who happens to be elected to Congress."

But Representative Patricia Schroeder, Democrat of Colorado, replied, "Nobody can be in this business without his or her spouse being in the business." As a result, she said, spouses should be subject to inspection and free of any taint.



SKY LIGHTS — A time-exposure photograph captures an electric storm over the skyline of Seattle, with the Space Needle at left. The storm, which ended a long dry spell in the area, caused numerous power failures.

Computer War Game Reveals U.S. Weaknesses

By Fred Hiatt
Washington Post Service

WASHINGTON — A computer war game conducted by the Joint Chiefs of Staff last fall showed that U.S. armed forces had enough ammunition and other supplies to fight only one small war in one part of the world, according to Defense Department officials.

The military exercise, called Pressure Point 84, showed that the army would begin running out of key munitions and other items in the first month of a war in South Korea and could be forced to accept a stalemate because of shortages of supplies.

If another crisis simultaneously developed in Egypt or Central America, the military would be unable to support the troops sent there, according to the results of the exercise.

The Joint Chiefs concluded that the military was not prepared logistically for anything more than a short and limited conflict, according to those who have seen reports about the exercise.

Stocks of conventional munitions were found to be well below the minimum acceptable for even a small war, and a war in Europe, which was not simulated, would cause still more severe problems, officials said.

The results of the computer-run exercise, which have not been officially released, lend support to a recently published report by the investigative staff of the House Appropriations Committee's defense subcommittee.

That report, based on research in 1982 and the first half of 1983, concluded that the army "does not have the men and material to sustain combat operations in a major contingency" and that the navy could not sustain full combat operations for more than a week.

Defense Secretary Caspar W. Weinberger denounced the House report as outdated, wrong and dangerous. He said that the administration of President Ronald Reagan had bought "a great deal of ammunition," and he suggested that the House report had been politically motivated.

Attempts to obtain comment from the Defense Department about the exercise were unsuccessful Thursday.

The Pentagon's test last fall showed serious problems in ammunition supplies, sealift operations and the other unglamorous but necessary support systems. It covered all four services.

Pressure Point 84, instead of examining logistics at the outset of the war as most previous exercises had done, began its investigation 30 days after an imaginary North Korean invasion of the South.

In the scenario, the military was found to have encountered severe shortages in Korea alone even before a month had elapsed. The marines based in Okinawa had adequate stocks, but the navy had to draw on stocks in Europe and the Atlantic, and the air force had to significantly deplete munitions stocks around the world.

The army was most severely pinched, however. It was having to ration 42 of 51 essential items after one month, and one week later 33 of those had been used up. The commander of U.S. forces in Korea had to limit the use of ammunition to 25 percent of normal and, later, to 10 to 20 percent of normal to avoid running out, the war game showed.

Even if the army emptied its reserves in the United States and left only 15 days of supplies in Europe, the commander in Korea would not have enough munitions, could not fight the war properly and would be forced to accept a stalemate, the exercise found.

A shortage of cargo ships aggravated the situation; supplies piled up in West Coast ports. The backlog for shipping reached 500,000 tons, meaning that what supplies were available reached the war 11 days late.

The exercise also simulated a Libyan incursion into Egypt 26 days after the Korean invasion and examined in a cursory way what would happen if U.S. forces prepared to deploy to counter a Nicaraguan attack on a Central American neighbor.

The inadequacies became even more apparent with the simulated Mideast crisis, requiring the deployment of one marine brigade and two army brigades. Pre-positioned marine supplies on ships in the Indian Ocean had already been sent to Korea, and the army had no supplies left anywhere for its troops.

The Pentagon rejected a recommendation by General Paul F. Gorman, commander of U.S. forces in Latin America, that he needs 125 U.S. military trainers in El Salvador, more than double the current 51 and the administration's ceiling of 55.

"There are no plans to increase the number of advisers in El Salvador," said Lieutenant Colonel Michael L. Burch, a Pentagon spokesman. He said General Gorman had made no formal request for more trainers, but sources said he has suggested the increase informally.

Senate Panel Approves Aid Plan for El Salvador

By Helen Dewar
Washington Post Service

WASHINGTON — The Senate Appropriations Committee, controlled by Republicans, has approved President Ronald Reagan's full request for \$117 million in additional military aid to El Salvador this year. The action came one day after the Democratic-controlled House refused to appropriate any funds.

The two chambers also moved toward a clash on Nicaragua, with the House on Thursday approving an intelligence authorization bill for next year that included none of the \$28 million requested by the Reagan administration to support insurgents fighting the leftist Sandinista government.

The Senate Select Committee on Intelligence has approved the request.

Meanwhile, the Pentagon rejected a recommendation by General Paul F. Gorman, commander of U.S. forces in Latin America, that he needs 125 U.S. military trainers in El Salvador, more than double the current 51 and the administration's ceiling of 55.

"There are no plans to increase the number of advisers in El Salvador," said Lieutenant Colonel Michael L. Burch, a Pentagon spokesman. He said General Gorman had made no formal request for more trainers, but sources said he has suggested the increase informally.

General Gorman brought up the proposal in congressional testimony Wednesday.

Senator Robert W. Kasten Jr., a Wisconsin Republican, sponsored the amendment to provide the \$117 million in additional military aid to the Salvadoran government of President Jose Napoleon Duarte, along with \$120 million in economic assistance.

After its passage, Mr. Kasten said, "We feel that since Duarte is now exercising leadership and control over the military, they need to move forward."

The measure was passed without a fight from Democratic opponents. But Senator Daniel K. Inouye of Hawaii, the ranking Democrat on the Appropriations Committee's Foreign Operations subcommittee, indicated he would fight the amendment on the Senate floor next week.

Mr. Inouye, who was instrumental in working out a \$62-million compromise on military aid for El Salvador earlier this year, contends that he did so with the understanding that it would be enough for the year.

The El Salvador money is part of a \$2.7-billion supplemental funding bill for the fiscal year ending Sept. 30. The version passed by the House is \$5.4 billion. The main difference is foreign aid.

Hostages freed in El Salvador who killed a bank guard and held 60 hostages for 22 hours surrendered to authorities Friday when no country would offer them asylum, United Press International reported from San Salvador.

The hostages were freed after the gunmen, who identified themselves as members of Farabundo Marti National Liberation Front, the main leftist guerrilla coalition fighting the government, surrendered to three officials.

The four left the bank in the company of Supreme Court Justice Fabio Hercules Pineda, Deputy Foreign Minister Ricardo Acevedo Peralta and Julio Adolfo Ray Prendes, chief of staff to President Duarte.

Mr. Wick was responding to an open letter in the current issue of the Foreign Service Journal, in which members of the agency's professional staff accused Mr. Wick of increasing the number of political appointees to four times the previous record level.

The letter accused Mr. Wick of harming the agency's prestige, and of making experienced officers subordinate to his appointees.

In the response Thursday, Mr. Wick defended his appointees as people with "unique talents" who were "as fully qualified as the career staff to hold the positions they do." He also said that under his direction, the agency's budget has climbed from \$458 million in 1981 to a proposed \$885 million for the 1985 fiscal year.

He said an agency representative now attends Secretary of State George P. Shultz's daily staff meetings and "provides greater input to the National Security Council." He added: "Agency employees are playing a vital role in managing the public diplomacy aspect of presidential trips for the first time."

Mr. Wick said the marine's name was being withheld until his relatives were notified. U.S. Embassy sources said, however, that he is Sergeant Donald Campbell.

An embassy source, who spoke on the condition that he not be identified, said the marine was attacked by six men who drove up to the sidewalk where he was walking. Mr. Verner said he assumed the marine was not in uniform because he was off duty at the time, early Thursday morning.

Patriotic lectures begin in the first grade. Civil defense drills, including the donning of gas masks, begin in second grade. In the ninth and 10th grades, students spend two hours a week learning basic military tactics and history and skills such as how to fire and strip down the AK-47.

Soviet authorities view the two sets of war games, involving about 30 million teen-agers over a two-year cycle of local, regional and national contests, as a way of teaching basic military skills and of imbuing Soviet youth with enthusiasm for army life. The most promising competitors are sent to military academies to become career officers.

Many parents, particularly in Moscow and other more cosmopolitan cities, strongly dislike the idea of war games for students but the Orlyonok and Zarnitsa games are popular in many of the country's more provincial areas.

This year's games are being staged amid calls by the Kremlin leadership for more intensive patriotic, ideological and atheistic training for Soviet youth.

For Soviet Youth, Combat Is a 'Game'

By Robert Gillette
Los Angeles Times Service

MOSCOW — The Soviet Union is calling the Los Angeles Olympics "the Games in a Gas Mask," an allusion to the smog common to southern California.

In boycotting the Olympics, the Soviet Union has published no photographs of the games themselves. But Soviet newspapers have twice in the last two weeks run the same picture of a Swedish journalist jogging through downtown Los Angeles with a gas mask covering his face.

However, the real games in gas masks are under way in the city of Tsimbuz, 250 miles (400 kilometers) south of Moscow.

Soviet Patriot, a military newspaper for Soviet youth, announced the start Wednesday of the Sixth National Finals of Orlyonok (Eagle), the military games for teen-agers. The games are scheduled to end Monday. It said that 140 "junior army divisions" from across the country are competing for national honors.

Under the slogan "Get Ready for Defense of the Motherland," several thousand high school students, 16 and 17 years old, compete in a series of events that combine sports with combat training.

Among the traditional events are relay races run by boys and girls wearing gas masks and anti-chemical protective clothing, and contests in grenade-throwing, which is taught in all Soviet schools.

A photograph in Soviet Patriot showed boys running an obstacle course with AK-47 assault rifles in hand. Another showed two teen-agers holding rifles and crouching by a pup tent as an army officer coached them.

"The newest thing this year is that the young people will swim with mockups of automatic rifles," the commander of the games and a Soviet cosmonaut, Georgy T. Beregovoi, told the newspaper. He explained that, as soldiers, "they may encounter water obstacles, which will have to be forced."

In "Operation Sniper," Lieutenant General Beregovoi said, teen-agers will compete in target shooting with automatic weapons and small-caliber rifles. He said that the students also look forward to competitions testing their skills in civil defense activities and in battlefield medical aid.

Soviet Patriot said that the games would end with "tactical field exercises."

The Orlyonok games and a separate series of national military-sports contests for younger teen-agers called Zarnitsa, or Summer Lightning, form the apex of a nationwide system of military education.

Patriotic lectures begin in the first grade. Civil defense drills, including the donning of gas masks, begin in second grade. In the ninth and 10th grades, students spend two hours a week learning basic military tactics and history and skills such as how to fire and strip down the AK-47.

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This year's games are being staged amid calls by the Kremlin leadership for more intensive patriotic, ideological and atheistic training for Soviet youth.

Leningrad Police Beat U.S. Marine, Embassy Charges

The Associated Press

MOSCOW — Plainclothes and uniformed police beat a U.S. marine attached to the consulate in Leningrad and then held him in a police station for two hours, a U.S. Embassy spokesman said Friday.

The spokesman, Jaroslav Verner, said the embassy had sent a protest to the Soviet Foreign Ministry in Moscow and the Soviet Embassy in Washington.

Valentin Kameney, deputy head of the press department of the Foreign Ministry, rejected the U.S. protest and said Soviet authorities had in turn strongly protested the marine's behavior. "This marine was absolutely drunk," Mr. Kameney said in a telephone interview. "He behaved himself as a hooligan. He threw rocks."

Mr. Verner said the marine's name was being withheld until his relatives were notified. U.S. Embassy sources said, however, that he is Sergeant Donald Campbell.

An embassy source, who spoke on the condition that he not be identified, said the marine was attacked by six men who drove up to the sidewalk where he was walking. Mr. Verner said he assumed the marine was not in uniform because he was off duty at the time, early Thursday morning.

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Trade officials said Thursday that the report would give Israel a significant advantage in the talks because it disclosed how far the United States was willing to compromise. In addition, some of the information from the U.S. companies could help Israeli businesses competing with the companies, officials said.

A spokesman for the American Israel Public Affairs Committee, a pro-Israel lobbying group, acknowledged that the organization had a copy of the report but said the group had done nothing illegal.

Mr. Brock's office, which classified the document, said it learned from congressional sources last month that the lobbying group had a copy.

A congressional official, refused a copy of the report because it was classified, told trade officials that the Jewish group's lobbyists would supply it, a source in Mr. Brock's office said. The office then called in the FBI, which declined comment Thursday on the investigation.

Jewish Group Got U.S. Secrets for Talks With Israel

Washington Post Service

WASHINGTON — The Federal Bureau of Investigation is investigating how a pro-Israel lobbying group obtained a copy of a classified document that spells out U.S. negotiating strategy in trade talks with Israel, according to officials.

The document, a report from the International Trade Commission to William E. Brock, the U.S. trade representative, contains secret data supplied by U.S. industries and other sensitive information for the negotiations, which began early this year.

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AMERICAN TOPICS

Now, the Hip Way To Sign Young Voters

The image of the League of Women Voters may be staid, but its approach in a drive to register persons 18 to 34 years old is decidedly modern. The nonpartisan civic organization has teamed up with RKO Radio in a voter registration campaign that will feature break-dancing contests, popular musicians, radio promotions and sign-up opportunities at rock concerts.

"We'll reach them through the medium they listen to and the kind of activities they identify with," said the president of the League of Women Voters, Dorothy S. Ridings.

The target audience is the 47 percent of the 18- to 34-year-olds who are not registered to vote — primarily low-income, uneducated, and highly mobile members of that group.

A "steady attrition" in the number of black men willing and able to support a wife and children has created a crisis for the black family in America, the National Urban League says. The civil rights organization says that black men face pressures from birth through adulthood that takes a toll at all ages.

Dr. James McGhee, the league's research director, says that "the wonder is not that so many black men are wounded

and crippled" by discrimination, "but that so many survive with their minds healthy and their souls intact."

But, he said, "for each one that falls there is one less man to be a husband to his wife, a father to his children, and a provider for his family."

Among their risks are a death rate from accidents and violence at a rate 1.5 times higher than that of white men, and a homicide death rate six times that of white men.

Typically they send toys and birthday cards to sick children, pay for family trips to Disney World in Florida and Disneyland in California, and arrange for telephone calls and visits from celebrities.

The Sunshine Foundation of Philadelphia has sent children to pray in Lourdes, France. The Shrine of St. Anne de Beaurip, in Quebec, sent a girl who had

two to ten years in prison on charges of performing faked abortions on women who were not pregnant. Among the women Dr. Chris Simopoulos wrongly told they were pregnant, authorities say, was one who had submitted a sample of a man's urine for testing, one who had been sterilized, and a Norfolk policewoman who arrested him as he was about to perform an abortion on her. The lawyer for Dr. Simopoulos, 46, says it's a problem of misdiagnosis.

Teenage runaways who have second thoughts but little or no money can now get free rides home provided by Trailways Corp., the bus line. The program, called "Operation Home Free," has been averaging 10 teenagers a day since it began in June. To get the rides, runaways must contact local authorities, who then notify hometown police.

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De Lorean Defense Rests at Drug Trial

By Judith Cummings
New York Times Service

LOS ANGELES — The defense rested its case Thursday in the 20-week drug trial of John Z. De Lorean, which will end without testimony by the 59-year-old former automobile executive.

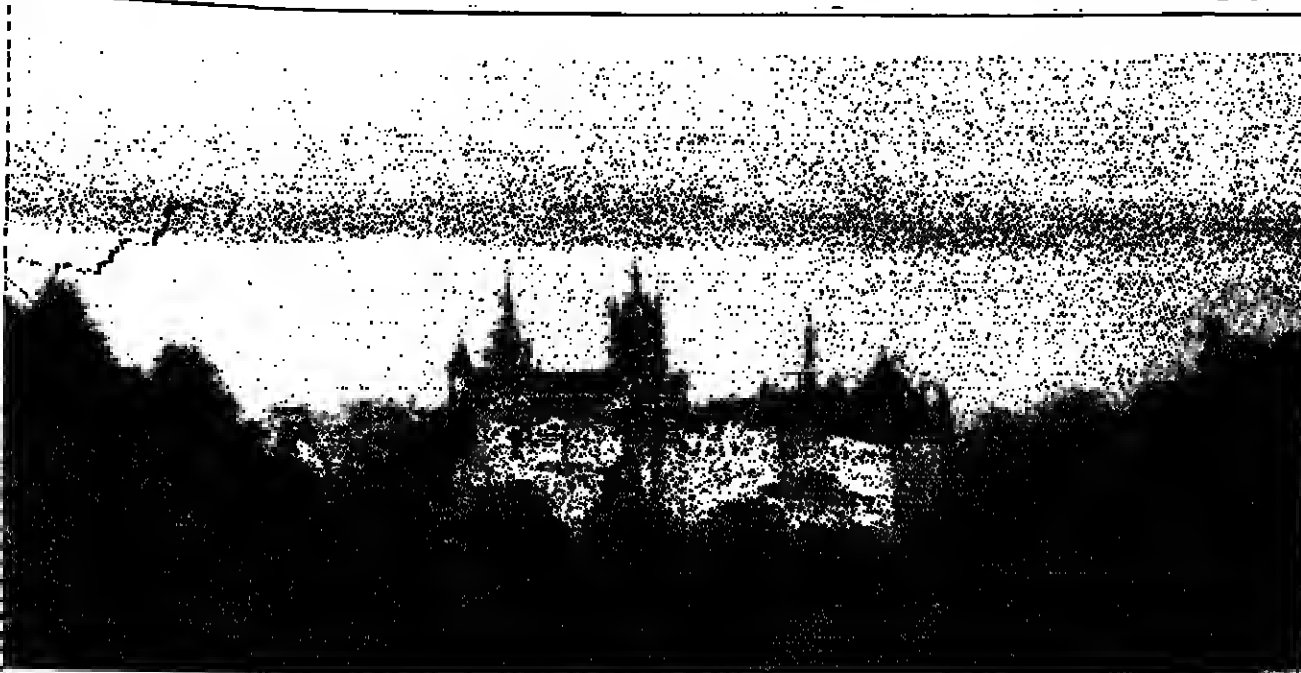
The prosecution then waived its right to call rebuttal witnesses and defense lawyers said that the jury could begin deliberations of the cocaine trafficking charges as early as next Tuesday.

"We didn't see any reason to prolong the circus any longer," Howard L. Weizman, the chief defense lawyer said. He said he had not called his client to testify because "we don't believe De Lorean has anything to defend. The burden is on the government to prove their case beyond a reasonable doubt. I don't think they've done that."

Mr. De Lorean was charged in a federal indictment with conspiracy to possess and distribute 55 pounds (22.8 kilograms) of cocaine after an undercover investigation in 1982, when he was trying to raise money to save his sports car factory in

Northern Ireland from bankruptcy. The factory was ordered closed by the British government when Mr. De Lorean was arrested in Los Angeles.

ARTS / LEISURE



Corot's famed view of Lausanne (detail).

Lausanne Foundation Opens With Impressionists

By Mavis Guinard

LAUSANNE, Switzerland — Corot once sat here on a warm summer's day to paint a view of gardens sloping towards Lausanne's ancient cathedral, the lake and the Alps hazily blue in the distance.

The view from the hilltop has not changed. Today, visitors can enjoy it from the Fondation de l'Hermitage, a newly opened museum where more than 150 Impressionist paintings and sculptures have been gathered for the summer.

The president of the foundation, François Daulte, said in an interview that he intended the retrospective of Impressionists — from precursors (Corot, Courbet, Boudin) to the masters (Renoir, Sisley, Pissarro, Monet) and the heirs (Cézanne, Gauguin, Bonnard) — as a tribute to the collectors of French-speaking Switzerland who encouraged the artists early on.

One of the first works purchased was a Renoir portrait of a young girl. At a sale set up by the artists at the Hotel Drouot in Paris in 1875, it fetched 50 French francs.

Daulte also likes in tell of a poetry from Neuchâtel who regularly traveled to Paris third class in order to add to his paintings, and of the art dealer Paul Vallotton, whose enthusiasm fired Swiss collectors. Many of these works, now treasured family possessions, are rarely aired in public.

Daulte, who has written several books on the Impressionists, has edited a catalog of the works he has piled from local museums and a quantity of anonymous collectors. The color printing is as precise as the detailed pedigrees of the paintings.

Though less flamboyant than the Thyssen-Bornemisza selection shown at Lugano last year, the Suisse Romande paintings bring a mid-19th-century home back to life. Donated a few years ago to the city of Lausanne and refurbished with impeccable taste, the Hermitage looks forward to a new career as a museum run on a budget of 500,000 Swiss francs (about \$200,000) — as much as all the other city museums together.

The original Palladian-style house had been designed by Louis Wenger, for the banker and economist Charles Bugnon, who had chased butterflies on this hill since he was a boy.

Behind lacy iron balconies and colonial porches, the high windows — now screened by bullet-proof glass — open on to 13 hectares of grounds and the view.

Landscapes by Guillaumin, Sisley and/or Monet seem strategically placed to echo it. The natural light the Impressionists loved, filtered by 100-year-old trees, is allowed to play on the shimmering river scenes of Monet, the wide beaches of Boudin or the lake scenes of François Boccia, a Swiss precursor.

The light animates Gauguin's "Oranges d'Océanie" and Cézanne's last work, a portrait of his gardener Vallier, at ease in a salon hung with his master's still lifes.

Polished parquet and period French furniture recreate the kind of rooms that children painted by Renoir, Mary Cassatt or Berthe Morisot might have played in, while the enrobed ladies of the portraits fixed a banquet or toyed with their gloves waiting for the post to come.

On the lower floor, and in the vaulted basement, Décor, dancers, in painting and sculpture, Rodin bronzes or Bonnard nudes seem quite at home.

Freshly arranged flowers pick up the tones of Fantin-Latour's roses or repeat the posies of the hat Renoir's "Young Girl" is trying before a mirror.

The show has drawn about 500 visitors a day since the opening in June. It can be sampled in easy stages with a pause on the shady terrace of the cafeteria or a walk around the gardens.

This would have delighted the Impressionists. According to Daulte, Renoir once said "A painting should be pleasant, enjoyable and pretty, yes, pretty. There's enough trouble (choses embêtantes) in this world not to make any more."

Maison de l'Hermitage, route du Signal 2, Lausanne. Until Oct. 21, open Tuesday to Sunday from 10:30 A.M. to 1 P.M., 2:30 P.M. to 6 P.M., and Thursday evenings from 8 P.M. to 10 P.M.

Hardly an hour from Lausanne, in Martigny, Valais, the Pierre Gianadda Foundation is a massive bunker of a museum enclosing a Roman site. It makes a stunning background for 117 sculptures loaned by the Musée Rodin in Paris for the summer. The works recreate the master's break with classicism in the "Age d'Airain" to give sculpture a new impetus. Like contemporary Impressionists, Rodin attempted to catch the instant. In plaster, marble, bronze and occasionally pâte de verre are lesser known works and the great, known ones — "Le Penseur," "Le Baiser" or "Les Bourgeois de Calais."

A didactic show, it goes into the details of casting by the lost wax process, the various steps of the creation of the Calais monument, as well as the studies for the Balzac statue.

The most unusual part of the show is a series of drawings — unfortunately shown in very poor light to preserve them — masterly sketches of an unposed woman's body. Two different sets of these fragile sketches will be shown.

Fondation Pierre Gianadda, rue du Forum, Martigny, Valais, until Oct. 7. Daily from 10 A.M. to 12:30 P.M. to 6 P.M.

A Proper 'Bostonians'

CAPSULE comments on films recently released in the United States:

"The Bostonians," based on the novel by Henry James and adapted for the screen by director James Ivory, stars Vanessa Redgrave as

MOVIE MARQUEE

Olive and Christopher Reeve as her Southern cousin Basil. Set in the 19th century, the story concerns the rivalry between the intensely feminist Olive and her charming and cynical cousin when they find themselves both drawn to Vanessa Tarrant (Madeline Potter), an innocent young woman with a talent for public speaking. Janet Maslin of The New York Times says, "The moral ambiguity of James's novel has been skillfully captured in the

film, as has its remarkable modernity. . . . The performances, especially that of the astonishing Miss Redgrave, generate an urgency and momentum to match James's own."

"Cheech & Chong's The Corsican Brothers" marks something of a comeback and maybe even an advance for Cheech Mario and Thomas Chong," says Vincent Canby of The New York Times. The screenplay, written by the two and directed by Chong, is a takeoff on the Alexander Dumas adventure about twin brothers so psychically joined that when one receives the lash, the other screams in pain.

"There is a on-stop series of cheerfully low jokes that, as usual, are best when in very poor taste," writes Canby.

Directed by Randal Kleiser, "Grandview, U.S.A." is a film that begins and ends with montages of small-town people doing small-town things. Depicting an all-American small town full of colorful and eccentric characters, it takes a while to realize where the film is going. "It's headed for a tidy, happy ending that coincides with a picturesque Memorial Day parade," says Janet Maslin of The New York Times. "This finale is inconsequential enough to suggest that the movie's real purpose is flinging the characters together rather than leading them anywhere." Sheila Benson of the Los Angeles Times says the film "is an unevenly paced, intermittently interesting mess."

U.S. Foundation Sets Up School for TV Writers

NEW YORK — Convinced that the quality of science broadcasting in the United States is largely mediocre and could be improved by adapting the British model, the Jewish Macy Jr. Foundation of New York is investing \$1.5 million to train American writers and producers for television.

The foundation, a leader for 54 years in medical and science education, is providing funds to establish a training school at television station WGBH in Boston, the largest producer of science and public affairs programs for the Public Broadcasting Service.

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High Prices Lead to Unrealistic Reserves

International Herald Tribune

LONDON — The unprecedented prices paid in the season that just ended for some works of art create an impression of extraordinary prosperity. For dealers and even auctioneers the reality is less cheering. The phenomenal prices have a destabilizing effect.

Once a new high has been reached in any category, potential

vendors raise their sights. The fact that one drawing by Raphael fetched \$4.2 million does not justify any inference concerning other drawings — not even another Raphael. Indeed, there was another Raphael in the Chatsworth sale on July 5 when that record price was established at Christie's. It fetched "only" £1.5 million. Why did the study for the head of young man and a hand fetch so much more than "St. Paul Reading His Garments"?

The drawing of the head and hand is not so well preserved. A crease runs across the sheet and a good deal of foxing appears on the white ground. But the head has a powerful emotional appeal. It is seen sideways, slightly tilted, with open lips, as if it were delivering a message, an impression increased by the hand pointed upward. The other drawing, with the curving, draped silhouette, is also dramatic, but seen with modern eyes, verges on the theatrical.

However such considerations are subjective and their effect unpredictable. No professional observer would have dared forecast either the £4.2 million for the one or the £1.5 million for the other. Yet once such prices have been recorded, they weaken the auctioneer's position when trying to repress speculative desires in a seller, who gets the impression — wrongly — that "everything is up" and insists on a higher reserve, i.e. the minimum price below which his work is not to be sold.

Raising the reserve to the most optimistic level increases the chances of the work failing to sell and getting bought in, as the term goes. It is a vicious circle, the effects of which were perceptible last season.

The other potential danger generated by the record prices is the temptation to see a wonderful work where there is none. Auction rooms are not immune to that disease, and this too can result in failures. The "Bronzino" portrait of Cosimo I de' Medici that Sotheby's tried so hard to push in July was probably the worst but not the only case.

The overall effect is a loss of a sense of proportion, and the transformation of the auction market from an arbitration scene into a speculative scramble.

The destabilizing effect of the record prices is seen at its worst in categories where the name of the artist matters, essentially, in paintings and sculpture from the 17th to the 20th century, and important 18th-century furniture, categories that have become proportionately more important in the financial balance of the market over the last decade.

In the 1973-4 season, Sotheby's sales totaled £90.3 million, of which Impressionist and Modern Masters accounted for £19 million and "Old Master paintings and drawings" — which included 19th-century academic paintings — for £5.6 million. Last season, out of £90.1 million, the two categories respectively amounted to £35.5 million and £79.4 million. In percentage, paintings have thus climbed

from 27 to 41 percent of Sotheby's sales. During the same decade, furniture has gone up from £3.1 million to £35 million — from less than 7 percent to nearly 13 percent.

Along with paintings, furniture is now the area in which speculation is at its most intense. In other words, more than half the market, in value, is accounted for by the areas in which speculative attempts have reached a peak.

Destabilization in the upper strata has not been counterbalanced by the middle price range. Professionals privately admit that there have been difficulties in the last months. In the trade, middle-of-the-road objects just don't sell. At auction the rate of failures to reach the reserve prices set by the sellers is high.

Auction houses do not keep statistics on "middle-of-the-road" bought-in items" but a recent sale at Sotheby's may serve to illustrate the point.

Held on July 9 and 10, it covered the whole range of so-called Antiquities, from Egypt and Ancient Iran to Greece, Etruria, Rome, the Celtic world, Byzantium and even Viking settlements in Northern Europe. It was a very good sale, with a highly diversified selection and a fair number of very interesting pieces. The catalog, with its adequate entries and its lavish illustrations, bears witness to the considerable improvement in cataloging standards noticeable at Sotheby's in the past two years or so, part of the effort to push up the less glamorous items that appeal to connoisseurs and specialized buyers. But

the latter is no easy task. They are, by definition, careful with their money.

A remarkable piece described as an "alabastron" of the 4th century B.C., a long cylindrical bottle with rounded bottom and walls tapering slightly up to the short neck, was sold for £3,885, 20 percent less than the low estimate. Its chevron pattern of yellow and white streaks combed into a so-called repair work.

The next piece, remarkable for its shape but unattractive in its commonplace greenish material, fared better. At £1,998, it went over its highest estimate by half. A sensational Celtic bronze chariot fitting, in the form of a dragon, according to the catalog, went up to £7,210, far above the estimate. But here the importance of the piece, the location of which is documented (it was found near Wolverhampton in the West Midlands) and the rarity of the type put it in the category of museum pieces.

In contrast, a pair of Celtic earrings made of twisted gold were bought in at £930 — estimate £1,200 to £1,500 — and the bracelet in the form of a snake that was found with the earrings, according to the entry, also failed to sell as the hammer went down at £15,000.

A similar failure affected an Iranian earthenware vessel shaped as a highly stylized bull of the early 1st millennium B.C. — very fine, perfectly authentic, but repaired, as earthenware often is. It was bought in at £7,500, reflecting absurd am-

bitions on the seller's part. It would be very well sold at half that price. The same applies to a beautiful bronze figure of a mountain goat, also from Iran, that was bought in at £1,900; the estimate, £2,500 to £3,000, again adjusted to the vendor's desires, reflected wishful thinking rather than realities of the market.

What makes such failures significant is that they affected good pieces and were entirely due to overpricing, not to the lack of interest from buyers.

Exaggerated estimates on objects addressing themselves to a small circle of collectors did not kill the objects when the auctioneer was prepared to let them go at realistic prices. Later in the sale, a pretty terra-cotta figure from Apulia, the ancient semi-Hellenized area of southern Italy, sold at £724, almost half the low estimate printed in the catalog. Success with overestimated pieces was possible only in areas that have been the object of intensive speculation spurred by institutional buying, such as Egyptian antiquities, among others. At £236,500, a gray granite head of the 4th century B.C. from Egypt was brilliantly sold.

The proceeds of the auction reached £714,813. While more than 25 percent of the items in value failed to find a buyer, it can still be rated a success. But carrying it one step further in the directions of high, speculative reserves could, by raising the proportion of failures to sell, tip the scales. This is the auctioneer's version of what politicians have called brinkmanship.

Portrait of Jan van Eyck (detail with crane).

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Pieter Pourbus Celebrated in Bruges

By Rona Dobson

BRUGES, Belgium — Artists in the 16th century were expected to be versatile in the service of church and state. Pieter Pourbus, an adopted son of Bruges, followed tradition in this tightly knit city-state, whose burgher class enhanced a material, commerce-based existence with art.

An exhibit at the Memorial Museum celebrating the 400th anniversary of his death offers an absorbing view of the Flemish artist's life. Pourbus, born in Holland in 1529, settled in Bruges and was admitted to the Bruges artists' guild as a master painter at the age of 19. He went on to become official cartographer to the governing body of Bruges, special adviser on military defense thanks to his engineering talents and canal bridge designs, decorations and costumes designer for Charles V's triumphal entry into the city, triptych painter for the embellishment of churches and convents, and portraitist to prosperous citizens as well as societies and guilds they belonged to.

He lived in the heart of Bruges, in the artists' quarter, only steps away from the house where Hans Memling had lived 50 years earlier.

Inevitably, comparisons are made between Pourbus and Memling, although Pourbus never attained the delicacy and pure grace of his predecessor. Often uneven in quality, Pourbus's work veers in style from late Flemish Primitive to early Flemish Renaissance.

His altar screens, treating traditional religious subjects with obligatory piety, has the static clarity and stilted attitudes of the Flemish Primitives.

Individual portraits of burghers take on quite another aspect. The sitters are presented as worldly and authoritative businessmen in good clothes cut from fine cloth, caps cocked, with heraldic symbols in the backgrounds as a tribute to their status. Their wives are equally well-dressed, gold chains and gold braid much in evidence, faces haloed in ethereal little lace bonnets, possibly as a boost for the indigenous lace industry of Bruges.

Two portraits dating from 1551, when Pourbus would have been about 28, are considered his best work. Jan van Eyck and his 19-year-old wife, Jacquemynne, are painted with a sophisticated awareness of their affluence, discreetly dressed in black, the man's doublet shot with gleams of ruby silk, the woman's sleeves with deep violet. Each has an expression of poised self-assurance, at ease in their mercantile world. An open window beside each shows a cameo scene of Bruges, glimpses of a city whose medieval and Renaissance architecture has been carefully preserved.

Highlighted beside Jan van Eyck is a medieval crane that dominates a square of gabled red houses, still called Kraansplaat, or Crane Place. Tiny figures roll barrels of wine, and a monk from the Hospice St. Jean tests to check the quality, an allusion to the strict controls applied by the city fathers. Drawn in miniature, it is all clearly visible, down to the artist's little joke, a crane bird perched atop the marvelous machine. Behind the woman's head is a handsome house, the couple's home, decorated with peacock plumage paintings; Peacock House still stands and recently had its natural wood facade restored, though without the decorative murals.

The family lived in the thriving wine-importing quarter, and wine taverns for thirsty citizens eager to sip the newly arrived Mediterranean asparagus abounded. One of these taverns has had its facade restored and is exactly as it looked 400 years ago, although Bruges no longer imports wine direct from Spain and Italy and the wine taverns are now banks and shops.

Other paintings have less local color, and show the artist's admiration for Italian Renaissance work. An "Annunciation" by Pourbus places the Virgin in a room furnished with canopied bed and gracious art objects, true Renaissance perspective leading back across a red-and-white floor to marble columns on either side of a chimney-place and into an anteroom beyond. It is a deliberate updating of the Bible story — a simple peasant girl is transformed into a richly dressed merchant's wife with impeccable taste in decoration.

Pourbus could launch out from conventional portraits and genre scenes. His "Last Judgment" illustrates a religion of bestial rewards and horrific punishments. A couple of masked monsters leading away the doomed to the regions of the damned provide a Flemish surreal flourish, but figures and composition show a marked Renaissance influence.

A large allegorical work in the London National Gallery, seen in this show only in photographic reproduction, springs a surprise, mingling upright respectability and strong sensuality. It is oddly incompatible title, "Allegory of Faithful Love," is still puzzled over by scholars. It is a long way from the pious group portraits of guild members or church benefactors and their wives.

Maps by Pourbus as official cartographer complete the exhibit. Inside the stone-flagged medieval hospice, with its altar screens and portraits of Bruges citizens and their city of canals and churches, the sound of horses' hooves on the cobbles just outside carries comfortably through the thick walls. Pieter Pourbus could stroll across the courtyard and find his world still there.

The exhibit runs through Sept. 30.

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GUELBS DEBUT AT EL-RHEIN — JULY 1984

Iron Ore — the 'motor' driving the industrial development of Mauritania for the past 20 years

by Rupert Bibra

The Iron Ore industry is controlled by SNIM S.E.M., a company that sprang from a government parastatal. SNIM was formed on 27th July 1972 as a wholly owned government corporation to further develop the rich ores of Kedia. It in turn took over the foreign owned Company MIFERMA (Soc. des Mines de Fer de Mauritanie) in 1974 — MIFERMA was nationalised because 79% of its 'added value' profit was being transferred out of Mauritania and the iron ore industry, already 11 years old, was due for indigenization. The owners of MIFERMA were not too upset and remain in the front rank of importers of Mauritanian ore — France, Italy, the UK, West Germany...

When it was seen that Kedia resources would be quickly exhausted partners were sought, to back the GUELBS project with its almost infinite reserve of 'workable' ores (5 to 6 billion tons). The ores of the El-Rhein and Oum Arwagan Guelbs for

In 1979, the World Bank was expecting this first phase to cost 444 million US current \$, but thanks to rigorous management of the project at its different stages (engineering, procurement and erection) and the setting of all the necessary conditions for a real and efficient international competition (tenders), SNIM has succeeded in bringing the cost of the project down to less than 350 million US current \$. It should be noted that this was achieved in spite of an actual inflation rate much higher than that taken into account in the World Bank appraisal.

The project is proceeding to schedule: over 100 contracts have already been signed. The first orders were placed December 1st 1979 and SNIM S.E.M. is on schedule for the first Guelbs production, inaugurated on 12 July 1984, the culmination of a project that was first discussed as far back as 1967.

SNIM S.E.M. at Nouadhibou is a stronger company now than before the world recession and the disruptive Polisario raids in 1977 and 1978; more Mauritanized (90% of wages/salaries are paid to Mauritanians — the expatriate complement has been cut to the bone without commitment loss of efficiency), tougher and more market orientated. The 60,000 SNIM S.E.M. employees are directed at iron ore and its export, but indigenous steel production is also growing. The iron furnace and rolling mill at Nouadhibou are saving imports and creating a useful export income from steel reinforcing rods sold particularly to Senegal (CEAO duty free) and to Mali and Ivory Coast.

SNIM S.E.M. has been relieved of the embarrass-

ments of the Akjoujt copper mine debts (SOMIMA), but still keeps its long view interest in copper, gypsum, explosives and oil products production — particularly for research. The phosphates of Bofal in southern Mauritania — 130 million tons — are ready for development and BRGM (Bureau de Recherches Géologiques et Minières) of France has reported favourably.

The Guelbs

Below is a picture of a black topped quartzite hill, a 'GUELBS'. These hills can be over 675 meters tall and are composed of 35% to 42% iron ores — magnetic quartzites. At least six billion tons in the Tiris area (West, North and East), stretching out in the desert to the North-East of Zouerate. The first of these hills of iron ore-bearing rock — and consequently resistant to erosion — to be brought into production will be El-Rhein (490 meters). The rate of production from start-up in July 1984 will be 6 million tons a year. By 1991 this can be 15 million tons (in tandem with Oum Arwagan — start-up set for 1989) all by open cast mining. The Guelbs iron ore-bearing rock will be treated before being sent to Nouadhibou's Port Minéralier for export.

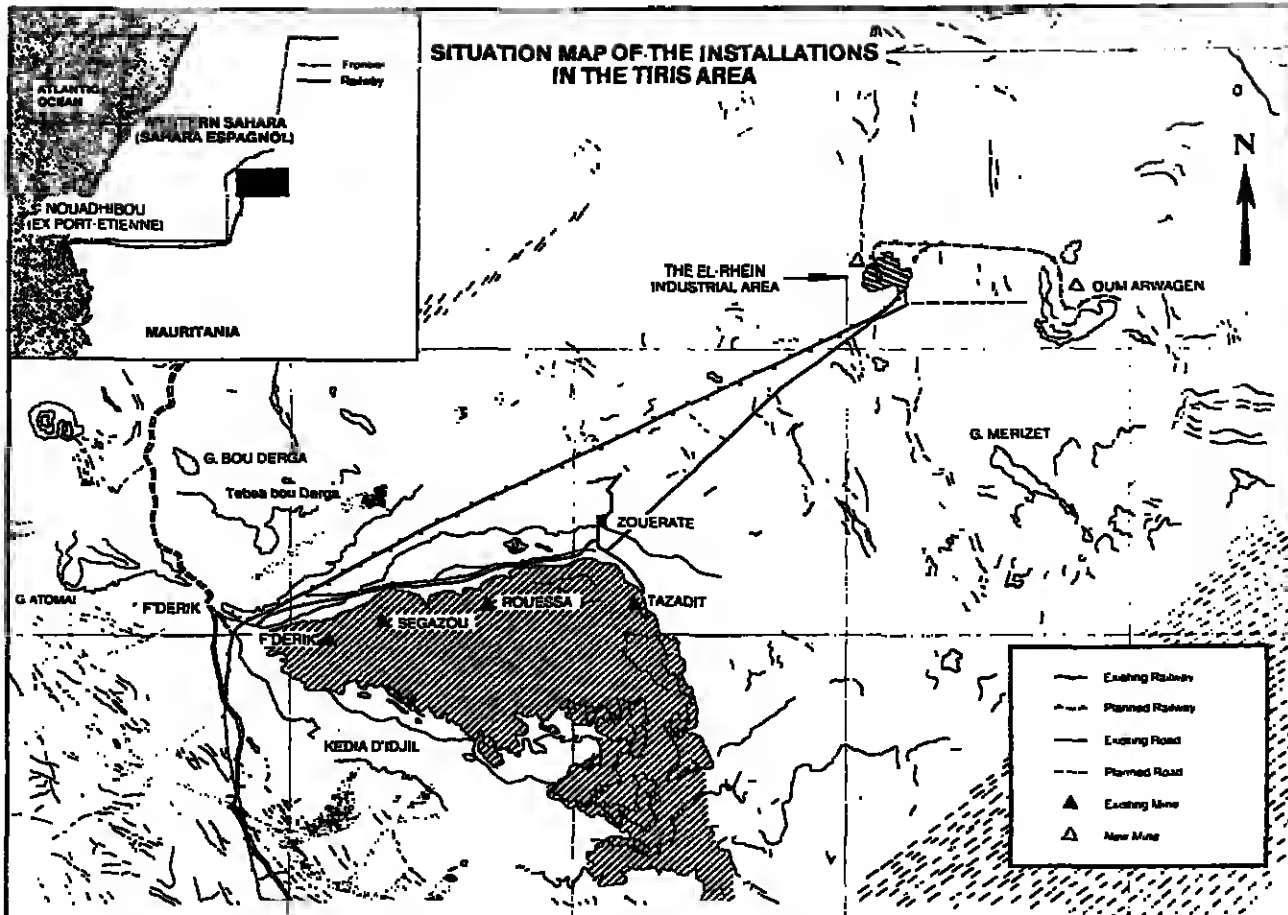
Three groups of GUELBS that were looked at before El-Rhein and Oum Arwagan were chosen as the most suitable for the initial phase:

a) The western group to the North and West of F'Derik — Atomai (675m), Tmetkrat El-Baida, Bou Derga and El Ajoujt — from 5 to 25 km distant and representing 980 million tons of ore.

b) The eastern group lying to the North East of Zouerate 20-30 km distant — El-Rhein, Oum Arwagan and Merizet — represents 500 million tons of ungraded ores; El-Rhein has 285 million tons and was chosen first.

c) The Northern group includes Guelbs Lehdid (the word lehdid means iron in Arabic) which has been renowned since the middle ages and has the biggest reserves of all. Added together, there are certainly over 6 billion tons of these Guelbs quartzites and iron oxide ores, more or less martitized to be exploited in the Tiris rectangle (125 km square with the El-Rhein Guelbs roughly in the middle) quite apart from the usable iron ore still left in the Kedia massif. The whole Tiris iron ore-bearing rock area is inside Mauritania's frontiers.

American and European tests in the mid-Seventies



showed that Guelbs ore is good. The Zouerate pilot plant supplied samples of Guelbs concentrates to France, Belgium, the UK, Spain, West Germany and Japan with excellent results. The tests were exhaustive, over 30,000 tons of Guelbs ore have been treated by the pilot plant.

Guelbs iron ore shipped from Nouadhibou should secure the same prices as Kedia iron ore — \$19.82 a

tonne in 1982. Now that the USA, Japan and West Europe seem to be pulling out of recession, demand and price should move ahead too. Kedia ore was always profitable for SNIM/SNIM S.E.M.; even in 1982 when sales slipped to 7.65 million tons, SNIM S.E.M. made a handsome profit — nearly double 1980's \$10 million, when 8.7 million tons (MT) were shipped. Austerity measures, taken in time, saved SNIM S.E.M. from going into loss in 1982, although sales per month dipped below 300,000 tons in one month, and real capacity for 1982 was estimated at 12 MT. Guelbs iron ore will come on sale by September 1984 and should reach export sales of 14 to 15 MT by 1990, when Kedia annual iron ore production will be down to 2 or 3 MT from just the Tezadit VI and Segazou mines.

The iron ores of Kedia have been mined since 1963 and the single track railway line from Nouadhibou to Zouerate via Choum and F'Derik was built specifically to export the richest (63% Fe — 64% Fe) ores via Nouadhibou's Port Minéralier — again specially built for Kedia ores, just like the mining town of Zouerate. By 1991 the mines of the Kedia will all be exhausted except for Tezadit VI and Segazou — Rouessa, F'Derik, Tezadit I and V will all be closed down.

The Port Minéralier will be built to export the rich iron ores of Kedia d'Iddij; a spur line 40 km long has been built North Eastward to reach the El-Rhein Guelbs. Obviously this spur line will be extended into the desert as other NE group Guelbs are brought into production. The distance by

turns eastwards again for the railhead at Zouerate — 650 km from Nouadhibou and alongside the Kedia ore deposits at Tezadit.

SNIM S.E.M. envisage running up to 5 trains a day (15,000 tons of ore each one) some time in 1991; when both Guelbs in the first phase are fully operational — 3 trains a day should be the minimum. The El-Rhein wagon loading equipment is already 75% completed.

The Port

Nouadhibou (formerly Port Etienne) is built on the peninsula that used to be called Cap Blanc and is tucked well into the Bay of Lévrier. When Mauritania signed its peace treaty with the Polisario in Algeria in August 1979, it gave up the area of Western Sahara (Rio de Oro) it had briefly occupied, excepting La Guera. This small fishing port is on the Atlantic side of the peninsula, whilst the Port Minéralier is directly opposite on the eastern side just inside Ras Nouadhibou. La Guera effectively guards the Port Minéralier, but Mauritania should give it up when peace is restored in this area — though it would prefer to negotiate a small frontier change so that all the peninsula belongs to Mauritania. The investment in Nouadhibou (population 60,000), the Refinery and SNIM's HQ/Quay/Repair Shops etc. has been considerable.

Nouadhibou/SNIM have a big advantage over their South American rivals — Rotterdam is less than 7 days sailing from Nouadhibou whilst South American ore is about 21 days away.

The Port Minéralier will be re-equipped to be ready to handle the Guelbs ores when they start coming down the line circa September 1984 —

Loans

Mauritania started repayments on its GUELBS loans in April last year, but repayments do not become onerous before Guelbs ore production should have reached 6 MT per annum in 1985. Repayments then should run at \$35 million a year. The revival in

the world industrial economy is coming at just the right time for Mauritania. There is already the capacity to increase sales back to over 12 MT per annum although projections do not envisage exports on this scale before 1990.

The El-Rhein Plant

The first train full of Guelbs concentrates is likely to pull out from the El-Rhein loading station in September 1984. The official opening of the El-Rhein plant will probably take place in July 1984. At the time, the stockpile of iron ore ready for processing will be well over 4 MT.

The plant itself lies close under the Eastern side of El-Rhein and 10/12 km from the second Guelbs, Oum Arwagan.

800 to 1,800 tons per hour. The dry system of passing the ores through the grinding, screening, magnetic separation and remilling processor, raises the ore content from its initial 37/42% Fe to 52/53% Fe and so to a final concentrate of 65.7% Fe (1600 Micro size) for the GMAB quality and of 65% Fe (300 Micro size) for the GFM grade.

Naturally, in separating out the ores from the other components of a Guelbs, the El-Rhein plant has a considerable waste disposal problem of tailings (LIMS waste and filter fines). Here some water is needed — after 'wetting' the waste passes via conveyor belts to an area South of El-Rhein where great spurs of this material look like oddly shaped sand dunes.



When both Guelbs are in full production in 1991, 66 million tons of Guelbs will have to be dug away annually in order to yield 33 million tons of Guelbs ores for the primary crusher and from which the plant will produce 15 million tons of concentrates.

The sorted ore is carried down from the mine head in the enormous 80 ton capacity trucks and they tip the ore into the primary crusher, where it is ground down from sizeable rocks to 300 mm 'stones'.

The noise made by the primary crusher is hell-like, it uses 600 kw to produce its 3,900 tons per hour of crushed ores. From its base, the conveyor belts take the 'stoop' to a stockyard with a capacity of 480,000 tons (8 stock piles of 60,000 tons each). There are 4 qualities of ore and an automatic sampling tower allows accurate control of all the mine's production.

From the stockyard, two bucket wheel diggers ('reclaimers') pour the ore on to conveyor belts — leading to the Aérofall Mill. Each of the 2 Aérofalls is a large unit, 10.59 meters in diameter by 2.36 meters wide, and consumes enormous quantities of electricity in order to grind down the ore by a dry semi-autogenous process. The Aérofalls, mounted side by side, dictated that the power station needed a capacity of 56 megawatts (4 turbines 14 mw each) to feed the entire El-Rhein plant and these rotating monsters have an output of

The enriched ores are stock piled close by the new El-Rhein rail head; 4 x 60,000 tons; again with conveyor belt 'feed' straight into the rail wagons — 45 wagons can be loaded in one hour, i.e. 4,000 tons an hour capacity through the loading tower.

Trains from El-Rhein hook into the original Zouerate-Nouadhibou line at F'Derik, this leaves the original track from F'Derik to Zouerate unencumbered to move the remaining Kedia ores of Segazou and Tezadit VI to the sea and makes the distance from El-Rhein to Nouadhibou a few kilometers shorter than if the new spur line had actually been extended from Zouerate to El-Rhein. Taking just 2 trains a day, the saving of even 10 km per train over one year is very considerable.

The new 20 km tarmac road built between El-Rhein and Zouerate is for everyday use by the shift workers of the new plant and the miners of the Guelbs; 523 new lodging houses have been built in Zouerate for these workers. Thus, Zouerate, which came into existence 20 years ago for the development of the Kedia, ores now doubles for the new GUELBS development; a base camp with a new lease of life. The other SNIM S.E.M. 'village' is outside Nouadhibou near to the Headquarters complex — again with houses and apartments, its own hotel, a social club, sports facilities, shops... SNIM S.E.M. looks after its own people and visitors too.



President Mohamed Khouna Ould Haidallah inaugurating the Guelbs project.

Phase One and Two were the most interesting and the overall development cost for these was below \$400 million. In July 1978, SNIM S.E.M. was formed; 71% of the shares were still held by the government but the remaining 29% was sold off to:

The Arab Mining Company
The Islamic Development Bank
The Kuwait Foreign Trading, Contracting & Investment Co.
Le Bureau de Recherches et de Participation Minières (MAROC)
The State Organisation for Minerals (IRAQ).

The equity capital was set at over 9 billion Ouguiyas (at the fixed rate of 45.5 Ouguiyas to the US Dollar) and 5 foreigners were admitted to the controlling Conseil d'Administration consisting of 12 members. The Ministry of Industrialization and of Mining is the overall controlling administration.

Twelve international organisations are co-financing the GUELBS project:

- \$65 million — Saudi Fund for Development;
- \$60 million — World Bank;
- \$50 million — Caisse Centrale de Coopération Economique (France) (\$30 million) with Banque Française du Commerce Extérieur and Banque de Paris et des Pays-Bas (\$20 million between them);
- \$45 million — Kuwait Fund of Arab Economic Development;
- \$35 million — Arab Fund for Economic and Social Development;
- \$30 million — Banque Européenne d'Investissements;
- \$20 million — Abu Dhabi Fund for Arab Economic Development;
- \$16 million — Overseas Economic Cooperation Fund (Japan);
- \$12 million — Banque Africaine de Développement (African Development Bank);
- \$5 million — OPEC Special Fund.

\$338 million in all for a project initially estimated at \$485 million. SNIM — S.E.M. shareholders have provided the remaining financial backing necessary for the first phase.



Left to right: Dr. Mohamed E. P. Imadi, Director of AFESD. Mr. Baba Ould Sidi Abdallah, Director-General of SNIM. Mr. Diabira Maaroufa, Minister of Industry and Mines. At the Guelbs inauguration on 12th July, 1984.

EXPORTS OF MAURITANIAN IRON ORE

| | | | |
|------|---------|------|--------|
| 1977 | 8.4 MT | 1980 | 8.7 MT |
| 1978 | 6.5 MT* | 1981 | 8.9 MT |
| 1979 | 9.3 MT† | 1982 | 7.6 MT |

Notes: * By December 1978 SNIM S.E.M. held over 1.33 MT of iron ore stock at Nouadhibou, UP almost 1 MT on the beginning of 1978. In 1978, 7.43 MT of iron ore was brought down from Zouerate — 92,804 rail wagon loads.

Herald Tribune

Published With The New York Times and The Washington Post

Hong Kong Tests Beijing

The British and the Chinese are proceeding smartly toward agreement on the terms on which the former will relinquish sovereignty over Hong Kong in 1997, when Britain's 99-year lease expires. The "framework and key clauses" have been announced, and the common expectation is that after more tough negotiating, China's September deadline will be met. The interesting feature—the hope for the future—is the extent to which the two sides' interests appear to coincide.

Britain's interest is to leave, reasonably gracefully, on terms that offer its former colony a fair chance to retain the autonomy and stability that have made it an entrepreneurial dream: the world's third most important financial center and 18th biggest trading power (China, by the way, ranks as number 22), whose 5.3 million (Chinese) people enjoy a degree of liberty and a life-style unmatched and unimaginable on the mainland.

China's first interest is to regain its national patrimony. But the pragmatists in the post-Mao leadership have also shown an intense appreciation of Hong Kong as the goose that lays golden eggs. Some in Beijing see it—as they see the special economic zones recently set up in China to attract foreign investors as a "pollution circle" that takes Communist China down a decadent "capitalist road." The

dominant faction, however, seems delighted to be reclaiming a rich and efficient capitalist enclave in which registered Rolls-Royces outnumber rickshaws 633 to 14.

It is to ensure Hong Kong's continued good health and calm nerves during the 13-year transition to Chinese rule that Beijing has promised to maintain the jittery jurisdictional legal system, its financial autonomy and its independent economic role, and to preserve "all the rights and freedoms" that its residents now enjoy, for 50 years beyond 1997.

Are China's guarantees adequate to keep Hong Kong's money and talent on tap during the transition? At any moment Beijing could send in the troops or provoke the riots that would make a joke of its formal consent to "one country, two systems." Only lately have the British seen the value of devolving institutions of democratic self-rule upon the colony in order to make it harder for the Chinese to change the pattern in 1997.

China's reasons for making good on its word, however, are evident: to keep Hong Kong profitable, to preserve the respect of those who are observing Beijing's Hong Kong progress and, not least, to provide a reluctant Taiwan with a comforting example of the safety and benefits of mainland Chinese rule.

—THE WASHINGTON POST.

The Duarte Difference

Jose Napoleón Duarte deserves a cheer, maybe two—and help. In his two months as El Salvador's elected president he has managed to build authority at home by opening minds abroad. When crusty Democrats in the U.S. House of Representatives like Clarence Long say they now favor \$306 million in economic and military aid, Mr. Duarte has proved himself a better salesman than the White House. He also won a hearing in skeptical Western Europe and the offer of \$19 million in aid from West Germany.

These are more than personal successes for a decent Christian Democrat. However imperfect his election, Mr. Duarte has a stronger claim to speak for El Salvador than the guerrillas on his left and the generals on his right. Their power rests on guns, his on a yearning to end the civil slaughter and open a closed political system. His confidence that this is still possible has opened minds, and purse.

Despite his triumphs abroad, he has had to move cautiously at home. With an eye to his armed forces, he has refused unconditional negotiations with the guerrillas' allies, asking instead that they join in a "national dialogue" next year. No takers are likely at this point.

In what may prefigure a full-scale autumn offensive, leftist rebels this week took the army by surprise in western El Salvador, killing at least 58. The fiercer the combat, the more dependent Mr. Duarte becomes on generals wary of his aims. The greater also becomes the pressure on him to spike domestic reforms.

His ability to tame the security forces is also precarious. For the moment, death squad killings have ebbed, although known killers are still at large. Mr. Duarte has shifted some of his commanders and seeks inquiries into a massacre of peasants and the still unpunished murder of Archbishop Oscar Romero in 1980.

The left and the right combined to reduce Mr. Duarte to passivity in the past, so hope needs to be restrained. But he has a mandate now for what amounts to a constitutional revolution. And when Representative Long says "I want to give him a chance," he speaks for democrats everywhere. With Mr. Duarte in clear command, El Salvador can count on help without second-guessing. But only his stature preserves the U.S. consensus for aid.

That is the Duarte difference. May it be a weapon more potent than guns.

—THE NEW YORK TIMES.

Other Opinion

Hong Kong, Taiwan, Korea

It would be inexcusable for [Britain and China] to let the Chinese takeover of Hong Kong cause chaos and decline, since the colony is now the world's third biggest financial center, after New York and London, and chaos would have repercussions across the world. Although no one can predict the changes that may occur before 1997, the formula by which China has agreed to allow the existence of "two systems" under one state could have useful application to the Taiwan question and unification of the Korean peninsula.

—Yomiuri Shinbun (Tokyo).

Mrs. Gandhi vs. Western Media

Mrs. Gandhi has accused Western media of distorted reporting on Punjab, implying that much of this may have been motivated. The Soviet media have also criticized Western press reports on Punjab. The coincidence, one would expect, is embarrassing for the prime minister. One must still hope she does not use Soviet endorsement of her complaints.

It is curious that Mrs. Gandhi should have waited so long to castigate Western media. Could the timing be linked to the fact that the droves of British, American, French and Canadian journalists who had flown in to interview her have now left? And receiving favorable front-page coverage in Western newspapers does not matter much to her now?

Mrs. Gandhi could hardly have expected more satisfactory reporting of the army action in Punjab than she has received in the West.

—The Statesman (New Delhi).

Toward a Proper Price for Oil?

For more than a decade world oil prices have been set by OPEC. Now OPEC's power may be challenged as never before. On the spot market a barrel of oil sells for \$2 less than OPEC's official \$29. Surplus production has more and more been finding its way into the spot market. OPEC members are pledged to

limit collective production to 17.5 million barrels a day, but cheating has lately raised actual output to as much as 19 million barrels a day.

The Soviet Union, which exports 1.3 to 1.8 million barrels of oil daily, has announced that it will cut its price by \$1.50 below what OPEC is trying to charge. In the absence of an unexpected surge in demand, a cheaper Russian product and a very active spot market will almost certainly draw customers away from producers trying to hold the price line.

Crude oil demonstrably remains overpriced, given the demand. How much should oil be selling for? It costs well under \$1 in the Gulf states to produce a barrel of oil and load it onto a tanker. But the costs of getting a barrel out of the tank of the North Sea or Alaska or other frontier areas is far higher. Without imposed production and price restraints from OPEC, some oil analysts have suggested, prices could fall to \$15 a barrel. Such prophecies, though, are likely to prove as unrealistic as those just a few years ago that saw oil hitting \$50 or more by the mid-1980s. The best way to determine oil's real value is to have a market free from dictated prices and production quotas. Things may be edging in that direction.

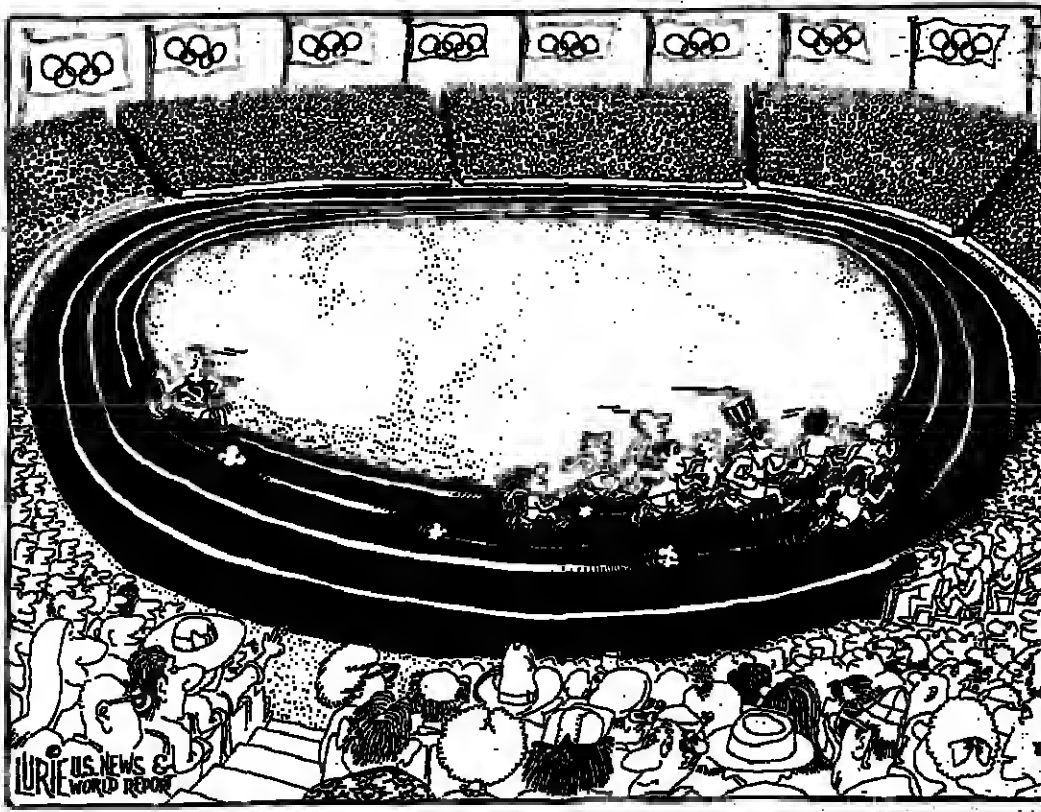
—The Los Angeles Times.

Olympics: 'Come On, The Rest'

I wonder when the Olympic Games are going to start. I mean, this current tournament, the American All-Stars against Various Bits of the Rest of the World, has its moments, but my television, at least, seems to be giving me an awful lot of the All-Stars.

The American crowds have made the whole thing clear: The Olympic Games are a little matter of the United States against The World. And that being the case, come on The World, says I. The unadulterated American jingoism of the Olympic Games has taken us rather by surprise. All this adherence to the national religion of Americans in victory has us praying for victory for Nicaraguans, Koreans, Virgin Islanders, Chinese, even Frenchmen.

—Simon Barnes in The Times (London).



When a Democratic Restoration Is at Risk

Argentina: Well-Wishing From Afar Isn't Enough

By Ambler H. Moes Jr.

MIAMI — It is time that Washington showed greater understanding of the political dimension of the Latin American debt crisis.

We have seen various Latin American countries go to the financial brink in the last two years. Perhaps we now tend to look at each new crisis as a rerun of "The Perils of Pauline." We don't worry too much because we know that the heroine never quite drops off the cliff.

But temporary solutions will not eliminate the real danger—in Argentina's case, the potential early death of newly gained democracy.

President Raúl Alfonsín's inauguration last Dec. 10 ended nearly 10 years of mismanagement and terror under military juntas. The return of democracy brought euphoria—and retribution. Three of the generals who had ruled the country were arrested to await trial. So were a number of officers associated with the violence against civilians. But now there are new clouds on the horizon.

In June, 50,000 youths marched in the streets of Buenos Aires in protest against the International Monetary Fund and "international usury"—meaning foreign creditor banks. The demonstrations included members of Mr. Alfonsín's own Radical Party and may have been staged in part to back his government in its stalled negotiations for new credit from the IMF. But some of the demonstrators called Mr. Alfonsín a "thief" for "knocking under the banks."

Mr. Alfonsín's popularity and ability to deal with a wide range of his country's problems are linked to finding early relief from the effects of the financial crisis. If Argentina's late reality matters to the United States, it should do more than watch passively.

The \$350-billion Latin American debt affects all countries of the region in similar ways. This year, depending on U.S. interest rates, as much as \$45 million in interest alone will be paid by Latin America to the banks. Because export earnings are being spent on interest, economies are not growing while populations are. The result is a lowering of living standards and no jobs for young people leaving school. This is a ticking time bomb.

The UN Economic Commission for Latin America has stated that some countries are "close to the critical limits of social tolerance." Riots erupted in the Dominican Republic on April 23 after negotiations with the IMF led to a sudden rise in the prices of beans, rice and cooking oil.

Thus far, the policies of the United States, the IMF and the large banks have been more or less parallel. They have waited for the U.S. economic recovery to stimulate Latin American exports, relied on IMF-prescribed austerity measures to rationalize the finances of the Latin American governments and counted on solidarity

and creativity on the part of the banks in periodic rescheduling of loans. Increasing numbers of U.S. economists and political experts, including, most recently, Henry Kissinger, are now saying that this policy alone will not work. Latin Americans have been saying so for some time.

Financially, it is not working because U.S. interest rates continue to rise. Each point of increase adds

An old myth has been thoroughly debunked in Latin America—that military governments can be efficient managers of an economy and can bring order and stability. Now a new myth needs examination—that when a discredited military skulls back to the barracks, democracy has a long-term chance.

about \$2 billion to Latin America's bill in annual interest payments. Foreign and finance ministers meeting in June in Cartagena, Colombia, urged a "drastic and immediate drop in interest rates." Three days later the U.S. prime rate went up half a point.

Latin Americans are beginning to blame not the IMF so much as the

U.S. government for its inability to manage its budget deficit, which most economists cite as a principal cause of continued high interest rates.

In Argentina and elsewhere, the real question is how long the political and social fabric will hold together as economies stagnate or worsen. Argentina is especially vulnerable because its democracy is fragile.

An old myth has been thoroughly

debunked in Latin America—that military governments can be efficient managers of an economy and can bring order and stability. Now a new myth needs examination—that when a discredited military skulls back to the barracks, democracy has a long-term chance. It may not have. Democracy, free enterprise, eco-

Uruguay: The Leader Ought to Run

By Max Holland and Kai Bird

WASHINGTON — For six weeks now, Wilson Ferreira Aldunate and his son Juan Raúl have been in prison in Uruguay.

After 4,000 days in exile they had come home to participate in the restoration of democracy. The military government greeted them with the largest military mobilization Uruguay has seen in this century, and Mr. Ferreira was charged with four offenses against the state, which could bring him a 30-year sentence.

The international response was swift, with one crucial exception—the U.S. State Department.

Judged even by the standards of the Reagan administration, the absence of an official response was stunning. Not a word has been heard from the U.S. mission in Uruguay. When a delegation of U.S. lawyers arrived recently to discuss the imprisonment, Ambassador Thomas Aranda Jr. was unavailable.

Why is the State Department content to see Wilson Ferreira—who has impeccable democratic credentials and should be part of any transition to democracy—sit in jail?

He has not always followed the U.S. line. In the 1970s he defied the State Department and diplomatic orthodoxy by taking his case to Congress and the American people. His public rebuke of U.S. policy created

ill-will in the State Department—feelings that have only worsened under the Reagan administration.

Mr. Ferreira, the candidate of the Blanco Party, was the leading vote-getter in 1971, the year of the last presidential election before the military takeover in 1973. Forced to flee for his life, father and son set in motion a vigorous campaign in Western capitals, working with sympathetic legislators to press the Uruguayan military junta for a return to political legitimacy.

In the fall of 1976 Mr. Ferreira was the first of many political exiles to testify before the House Subcommittee on Human Rights. He complained about a U.S. "policy clearly conducted to use friends and despots to the very nation that had defined his democratic ideals was now supporting the enemies of those ideals."

The State Department makes little secret of its resentment. Early last month, when a church delegation visited Elliott Abrams, the assistant secretary of state for humanitarian affairs, to press for the Ferreira's release, Mr. Abrams said the department was not intervening because it did not "want to be seen as partial" in

the electoral process, or "do anything to upset the democratic transition."

Richard H. Melton, the deputy chief of mission in Montevideo, criticized the older Ferreira's return as a "complicating" factor in the process.

Last fall, when it became apparent that elections were inevitable, the State Department moved swiftly behind Julio M. Sanguinetti, the nominee of the Colorado Party. His way was paid to Washington, where he held top-level meetings with administration officials, and when he returned to Montevideo, Ambassador Aranda scheduled frequent and very public meetings with him.

More than anything, the department is worried that a truly open electoral process might result in the election of Mr. Ferreira, whose popularity is now enhanced by the mystique of exile. The department is known to be pressing Mr. Sanguinetti's party to remain in the election despite the barring of Mr. Ferreira.

The State Department has made it clear that it would like Mr. Sanguinetti to release Mr. Ferreira after the election, giving him his freedom but having denied him the presidency. If the department prevails, one of the "crimes" for which Mr. Ferreira will be excused is his testimony before the U.S. House of Representatives.

In fact, the State Department is committed not to Uruguayan democracy but to elections won by its favored candidate. To achieve this it is willing to see the most popular Uruguayan politician, a proven democrat, languish in prison.

The writers supply a column on foreign affairs to The Nation magazine. They contributed this comment to The New York Times.

LETTERS TO THE EDITOR

Outrage Can Be Selective

My friend and former Newsweek colleague Yonick Blumenfeld ("Our Faculty for Outrage Has Atrophied," July 30) doubtless remembers that the United States and the Soviet Union agreed in the early 1970s that they had established nuclear parity. Then in 1977 the Soviet Union set out on a new course to transform parity into superiority by deploying the SS-20. Over a period of five years, Moscow deployed one new SS-20 every eight days, most of them targeted against Western Europe.

I do not recall any films like "The Day After" being made during that period. Nor do I recall a single demonstration by the Campaign for Nuclear Disarmament or any other group of unilateral disarmers to "awaken voters to a pitch of moral outrage," as Mr. Blumenfeld phrases it. If memory serves, Mr. Blumenfeld also failed to express moral outrage against the SS-20 deployment.

It was only after NATO, at the request of Helmut Schmidt, unanimously decided to deploy a counter to the SS-20 that the outrage, both real and feigned, got under way. The World Peace Council, which was set up by the Soviet Union in 1949 to launch the Stockholm Peace Appeal in 1950 and which now has 137 national branches including the U.S. Peace Council, played a critically im-

portant role in whipping up "moral outrage" against the United States for "ramming down the throats of its allies cruise and Pershing missiles." Mr. Blumenfeld should take the trouble to read the testimony of KGB defectors before the House Select Committee on Intelligence on July 13 and 14, 1982. It will help him understand why and how the capacity for indignation has been eroded.

ARNOLD de BORCHGRAVE
Washington.

If It Had Been Reagan
In response to "Kremlin Adds Hate Thine Enemy to Its Liars" (July 13):

Had President Reagan announced an initiative to inculcate hatred in the American people, the Socialist International would have issued a communique denouncing him for fostering a war-favoring mind set. But a decree of the Central Committee of the Soviet Communist Party calling for reinforced education of youth to hate the enemy, followed by a summons from Defense Minister Dmitri Ustinov to the party to intensify "military-patriotic" education of the people, with specific mention of the "hate the enemies" theme in reference to the United States and NATO, evoked no Socialist response whatever.

ARNOLD M. SILVER
Lumburg.

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WEST AFRICA

A SPECIAL REPORT

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Continent of Coups

'Why are West African countries so prone to coups? A major reason is that the technology of destruction in Africa is ahead of the technology of production.'

By Ali A. Mazrui

ANN ARBOR, Michigan — West Africans are passing through a period when the economic vices of their governments seem to be regarded as more important than their political virtues.

Nowhere is this better illustrated than in the fate of the government of President Shagari in Nigeria. The years 1979 to 1983 were perhaps the freest four years in Nigeria's history — certainly from the point of view of the open society and candid dissent.

It is arguable that these four years were the golden years of press freedom in Nigeria. The reputations of the rulers were emphatically not spared. Perhaps nowhere else in the Third World were those in power more openly denounced in their own country as "pirates and robbers." Sometimes the press came close to inciting violence. Opposition leaders did incite violence — and got away with it.

If political dissent means anything, it reached its highest peak in Mr. Shagari's Nigeria — sometimes higher than in Western countries, with their laws against incitement, against "clear and present danger" and against disclosure of official secrets.

Yet the Shagari administration was one of the most economically corrupt and incompetent in Nigeria's history. The nation's oil resources were rampantly abused, its finances depleted, its laws of contract desecrated, its laws against corruption ignored, its teachers unpaid, its people impoverished. Never was a country's economic promise so quickly reduced to economic rampage.

Mr. Shagari's balance sheet was stark — impressive political freedom against incredible economic anarchy. The military intervened "to save the nation."

Now the Nigerian soldiers are in relative control. They have taken action against economic anarchy with methods that have ranged from stiffer currency controls to an economic war against indiscipline. But they have also taken action against certain political liberties, with secret tribunals to try members of the former government and a decree restricting press freedom.

The administration of President Hilla Limann and his People's National Party in Ghana (1979-1982) was also a case of political openness on the one side and economic corruption, drift and decay on the other. Again, the people of Ghana seemed to be more angered by the economic sins of the government than pleased by the political virtues of an open society. Flight Lieutenant Jerry Rawlings took over as a redeemer. Political liberties declined partly in the name of greater economic discipline.

Upper Volta is more experienced in abrupt changes of government. In August 1983 Thomas Sankara came to power with radical leftist aspirations — one of the many coups since independence. But this time the coup seemed more ideologically purposeful than average. Attempted coups against the Sankara government were not slow in coming, but so far they have been in vain. Is it only a matter of time before Captain Sankara makes his own violent exit?

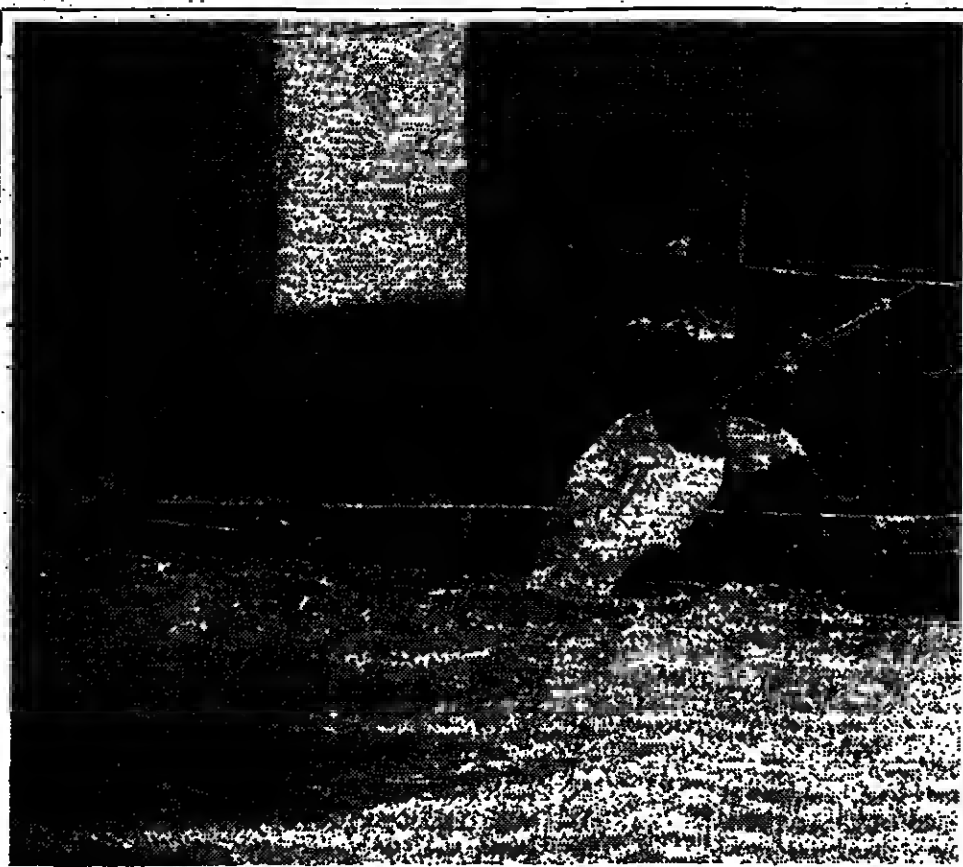
Soldiers are in the saddle in most places in West Africa — Benin, Togo, Liberia, Mauritania, Mali, Niger, Guinea, with narrow escapes in recent times for the rulers of Gambia and Cameroon.

Why are West African countries so prone to coups? A major reason is that the technology of destruction in Africa is ahead of the technology of production. Ultimate power resides not in those who control the means of production — as Marxists would argue — but in those who control the means of destruction.

When Idi Amin expelled the Asians in 1973, he was throwing out part of the economic establishment of Uganda in control of major sectors of production. Marshal Amin then turned against the African bourgeoisie as well. It was quite clear that his *harambee* militia was calling the shots in more senses than one. The original owners of the modern means of production were helpless in the face of tribesmen operating tanks and mortars.

A related reason Africa is coup-prone is that most other institutions (labor unions, professional associations, religious leadership) are relatively weak, unable to stand up to the military. Africa has a low level of (Continued on Page 10)

Ali A. Mazrui is a professor of political science at both the University of Michigan, Ann Arbor, and the University of Jos in Nigeria.



Fishermen working the boils beneath Ghana's Akosombo Dam.



Along the Ghana coast: The harbor at Elmina.

Obstacles to Free Trade Widening Despite Pact

By Denis Herbstein

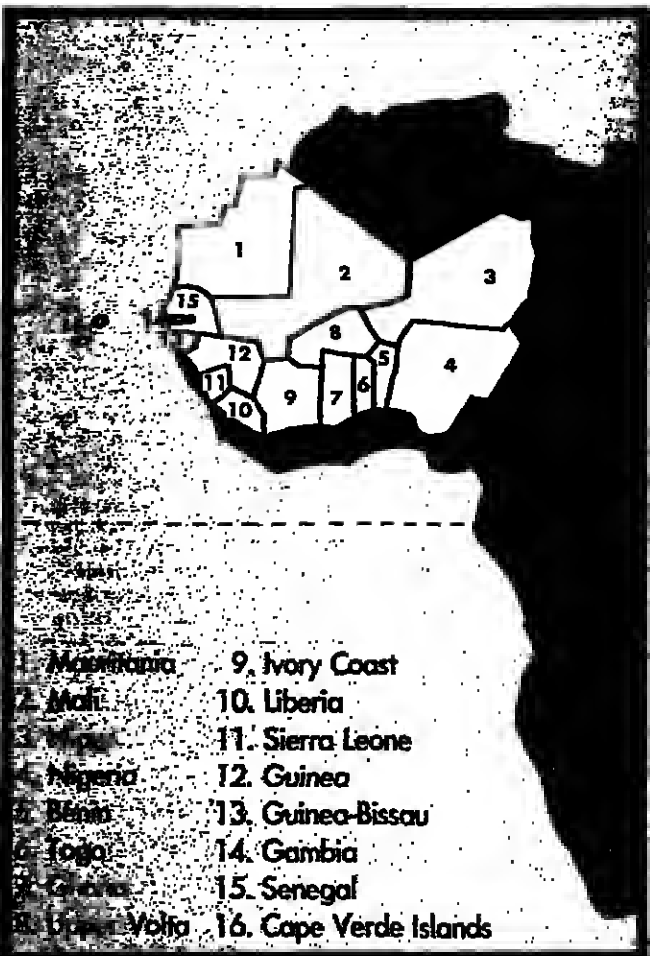
GENEVA — Far from reducing tariff barriers, the countries of West Africa have increasingly been setting up obstacles to free trade. The protocol on liberalizing trade among the 16 member countries of the Economic Community of West African States, signed in Cotonou two years ago, has so far made little impact on what should be one of the cornerstones of the proposed common market.

A recent report by United Nations Conference of Trade and Development officials in Geneva lists 51 restrictive trade control measures introduced by individual ECOWAS governments in 1982 and 1983 alone. Full implementation of the protocol has been postponed until the poorer West African nations are ready to make the necessary adjustments. Even so, three years before the protocol was signed the countries set up a "standstill agreement" promising not to introduce fresh tariffs against member states, although they could do what they liked against the outside world.

West Africa is getting poorer. The world recession is hitting it from several angles. Single-product exporters, such as Mauritania, Niger, Guinea, even Nigeria, are being seriously damaged by the lack of demand for their minerals. Their mounting debts, although small in aggregate by comparison with those of Latin America, are nonetheless very high when measured on a per-capita basis. Drought has compounded the wretchedness of conditions in the Sahel, while the continuing high price of oil has ransacked the hard-currency reserves of most countries. The time does not appear ripe for reducing trade barriers. Indeed, there is a great temptation to seek salvation in tariffs.

Most of the changes in trade policy were directed toward increasing revenue (through raising import charges), improving the balance of payments or protecting local industries from foreign competitors. The UNCTAD study, covering 1978-1983, found that of 171 recorded changes in trade-control measures, 63, or more than one-third, were import charges. Of these, 44 were restrictive, while 19 aimed at liberalizing trade.

In the other large category, quantitative restrictions such as licenses and quotas, 50 out of 64 changes were restrictive. And exports were promoted by direct compensatory measures, such as



United Nations/UNCTAD

tax credits and subsidies, while restrictive measures were applied in order to meet domestic demand or encourage domestic processing. All this amounts to a major violation of the "standstill agreement." The report does not list countries responsible for individual measures, but it points out that the more developed members, such as Ivory Coast and Nigeria, have a "more dynamic approach to trade policies" reflected in a higher frequency of adjustments, showing their capacity to adopt to changes in the international economic situation.

The less developed member states maintained static trade policies. Thus, during the five years under review, countries such as Cape Verde, Gambia, Guinea, Guinea-Bissau and Mali made hardly any trade policy changes. When they did, these were invariably restrictive and directed toward protectionism.

(Continued on Next Page)

Emerging Aid Policies: Hopes for African Development, Increased U.S. Business

By Michael Maren

NEW YORK — A consensus has been reached within Washington's trade and aid circles, and a new and coherent policy seems to be emerging for U.S. economic relations with Africa. Supporters of the policy say their plans will not only promote African development but also be a boon to U.S. investors and exporters.

What is being offered is a loose package of incentives that amounts to a free-market solution for a staggering array of economic and political ills. There are incentives for African governments to dismantle marketing organizations and replace them with free-market mechanisms, and incentives for Africans to accept U.S. business. The results, according to planners, will be stronger African economies, more stable political systems, better U.S.-African relations and increased U.S. exports.

The effort is being coordinated by the Inter-Agency Group on the Private Sector in Africa,

an informal coalition of U.S. government agencies including the Export-Import Bank, the Agency for International Development, the Overseas Private Investment Corporation (OPIC) and the departments of State, Commerce, Treasury, and Agriculture. The group was formed after congressional hearings last year at which it was determined that there was no coordination among the various agencies that deal with U.S.-African trade.

Though the agendas and goals of these agencies are diverse, they all agree that Africa's economic problems are caused largely by inefficient bureaucratic control of the continent's economies. If Africa persists with these "misguided policies," U.S. officials assert, no amount of foreign assistance will help. "We now see foreign investment as a legitimate tool, even as a requirement, for economic development," an AID official said.

While some of the agencies are interested only in boosting U.S. trade and investment, AID is

ready to promote a wide range of investment in Africa. AID's Private Enterprise Bureau, formed three years ago, has focused on promoting the indigenous private sector as a replacement for parts of Third World government bureaucracies.

The bureau has acted in an advisory capacity to African and other Third World governments that request help in making these changes. It has provided commercial credits to African entrepreneurs, particularly those who wish to invest in industries related to agriculture. Funds have been made available for AID to help conduct feasibility studies for private investors. U.S. policy-makers expect that stronger private sectors in these countries will pave the way for U.S. private investment.

For countries willing to make structural adjustments, Congress has approved the \$500-million Economic Policy Initiative that was requested by the administration. For the 1985 fiscal year, \$75 million of that fund is available

for selected sectors within African countries that undertake "reforms" aimed at moving toward a free-market system. At first, Congress was reluctant to approve the funds for fear that they would be used as a way for the administration to reward its friends in Africa. The funding was approved only after Congress was given a say about the disbursement.

The interagency group is also encouraging U.S. businesses to consider Africa when they think about investing overseas. OPIC set up an "opportunity bank" that provides U.S. corporations with information on investment opportunities. Other agencies are arranging U.S. trade missions to Africa while advising African governments on how to make a favorable impression on the Americans.

A study conducted for the State Department by the Battelle Memorial Institute concluded that the primary impediment to doing business in Africa was the "unpredictable and capricious nature of the government bureaucracy."

Though the dismantling of semi-governmental institutions and coaching in Western business practices may partly eliminate these barriers, there is no guarantee that it will raise interest among U.S. businessmen, many of whom regard Africa as a preserve of European business.

U.S. Assistant Secretary of State Chester A. Crocker has recognized that the United States does not have the historical ties with Africa that Europe does, but he criticized U.S. business, which he said had "not taken the initiative in developing opportunities but has waited for Africans and third parties to come to them."

Mr. Crocker was speaking at a conference sponsored by the Los Angeles Task Force on Africa. Mr. Crocker also said that U.S. business could help Africans restructure their economies better than the U.S. government could because "American business can speak more candidly and sensitively to African leaders about African policies than we can through official channels."

Mr. Crocker reported that representatives from Somalia, Kenya, Zambia, Zimbabwe, Mozambique, Gambia, Cameroon, Senegal, Ivory Coast, Zaire, Guinea, Gabon, Liberia and Mauritania had come to the United States seeking advice on how to attract foreign investment.

A major concern raised by U.S. business is over "predatory" financing by the Europeans and Japanese. Responding to persistent claims by U.S. exporters that they were losing business to Japanese and European companies, Congress, in the renewal of the Ex-Im Bank charter in November, gave the bank and AID the authority to issue concessional credits to promote U.S. exports.

In fact, Ex-Im already had this authority but rarely used it. Banking and commerce officials, therefore, interpreted the congressional act as a directive to actively pursue such loans. In passing the bill, however, Congress allocated no new funds, meaning that Ex-Im or AID would have to draw down other funds if they wanted to issue the credits.



February 1983: Returnees from Nigeria arrive in Accra.

Immigration: The Problem That Will Not Go Away

By Patrick Smith

LAGOS — "No leader survives long in Africa after he starts mass expulsions of immigrants," said a Ghanaian teacher who is legally resident in Lagos. "Look at what happened to Kofi Busia after he kicked out the Nigerians from Ghana, look at what happened to Idi Amin after he expelled the Indians from Uganda and now look at what happened to Shagari after he expelled so many West Africans from Nigeria last year."

Undaunted by such precedents, however, the military government under Major General Mohammed Buhari has continued with the expelled Shagari government's tough policy on immigration. Since the year-end coup in Nigeria, several governments have reported the repatriation of thousands of illegal immigrants. In March a special airlift took more than 3,000 illegal immigrants to various destinations in West Africa on the government-owned national airline.

There are no accurate statistics on the numbers of migrants traveling around West Africa. Nigerian government officials say more than 1.2 million illegal immigrants were expelled from Nigeria in

the first three months of last year. Other West African governments say the figure could have been as high as 2 million. Of these, some officials estimate, more than 500,000 returned to Nigeria.

A West African diplomat said, "We see the same faces every few months coming to our embassy pleading for some travel documents and because they have got into trouble with the Nigerian police. We call them the hard core of 'returned returnees' who will be coming back to Nigeria no matter what."

Previously such migrants had little difficulty finding work on the fringes of the Nigerian economy as domestics, drivers, laborers or street hawkers. Prostitutes from other West African countries became known as "ECOWAS girls" in Nigeria.

But as declining oil revenues put pressure on Nigeria's economy and factories began closing because of a lack of imported raw materials, unemployment in Nigeria's service and manufacturing industries began rising steeply. Further, the new military government's streamlining of government machinery resulted in many layoffs in the public sector. Nigerians are now taking jobs that would previously have gone to migrants.



Workers stacking rice bags in the port of Lomé.

The government has tried to eliminate informal employment in the urban center in an attempt to encourage the newly unemployed to return to rural areas and help build up the country's flagging agricultural sector. But neither unemployed Nigerians nor other West African migrants are much interested in farming, where often the work is back-breaking and the remuneration small.

Although the protocol of the Economic Community of West African States on the free movement of people within the region is in its first phase, officials at the ECOWAS secretariat in Lagos said Nigeria's tough immigration policy did not contravene the protocol. "Every country in ECOWAS has its own immigration regulations," said B. Mensah, press attaché for ECOWAS in Lagos. "The people who are being expelled are mainly those who have no passports or travel documents."

The first phase of the protocol, in effect since 1980, states that any national from an ECOWAS country with valid travel documents can visit another ECOWAS member state for up to 90 days without a visa. This only gives right of entry, however, not work privileges.

Next year the ECOWAS commission on free movement will meet to consider how effective the protocol has been so far and how to put into effect the next phases, which include right of residence and right to establish commercial enterprises for any ECOWAS citizen in any ECOWAS country.

Diplomats from other West African countries say, that despite its stringent immigration laws, Nigeria, as the most dynamic nation in the region, will remain a magnet for migrants. "It would help the situation a lot if the borders were better policed," said one diplomat. "One of the main reasons why so many illegal immigrants got into Nigeria was because there were so many immigration officials willing to take a five-naira bribe to allow someone without any travel documents into the country — and in most West African countries a passport is still a luxury item."

Nigeria's new military government tightened up border security drastically — at first to prevent the escape of wanted officials, then to keep dissidents from causing trouble at the borders — particularly during the religious riots in the northeast earlier

(Continued on Next Page)

A SPECIAL REPORT ON WEST AFRICA

The Progress in ECOWAS: A View From the Top

Aboubakar Diaby Ouattara, executive secretary of the Economic Community of West African States, was interviewed in Lagos by Franco-Xavier Harispé, an Agence France-Presse correspondent in West Africa.

By Franco-Xavier Harispé

QUESTION: What progress has been made in ECOWAS this year?

ANSWER: We have now reached a stage where the major focus is the implementation of decisions and programs already negotiated and adopted. At the moment no dramatic development is to be expected, except maybe on monetary cooperation when the final decision from the heads of states is ready. But when one looks at the programs, it is obvious that progress is steady.

Q: Could you elaborate on some of the development projects that are under way and the extent to which they are being implemented?

A: Since the May 1983 summit meeting in Conakry, the ECOWAS telecommunications program has been implemented. Loan agreements and equipment-supply contracts of about \$25 million for Phase A of the program have been signed. Within 12 months the first batch of equipment will have been manufactured and delivered. Even-odd of lenders for Phase B is in progress and contracts will be awarded by the end of October. By May 1985, all arrangements for financing and contracts for Intecom 1, the first West African telecommunications network, will have been completed.

Q: As for the transport programs,

the ECOWAS Brown Card, a regional automobile insurance plan, was launched in July in Freetown, Sierra Leone. Uniform road legislation is being implemented and, in cooperation with the Economic Commission for Africa, the West African road map has been updated. In other areas of transport, with the completion of a feasibility study plans are now set to establish an ECOWAS coastal shipping company. We have also secured funding for developing the airline industry and the International Civil Aviation Organization has developed a program on navigational aid to improve air traffic security in the region.

In other sectors, the U.S. Agency for International Development has provided funding and technical assistance for the ECOWAS energy conservation project, the first of its kind in the community. The oil facility program is working smoothly and there has been substantial interest in a project on natural gas.

In agriculture, feasibility studies have been completed for four of the cattle-breeding stations that are being developed to supply the region with the trypanosomiasis-tolerant variety. A joint project with the U.N. Food and Agriculture Organization on agricultural pricing policy for West Africa has begun. U.S. AID has agreed to fund a conference on fisheries in Banjul, Gambia, in September, which will cover management of fishing contracts and resources, regional trade in fishery products and training.

Q: What have been the effects on ECOWAS of military coups in

West Africa, the drought that affects the region and the global economic recession?

A: The fact that no military coup has had any impact on our organization is very telling. No member country has ever — whatever the regime — gone back on any of its ECOWAS commitments. The drought and the economic recession definitely have a detrimental effect. On the drought problem, we hope that the long-term afforestation and green-belt programs we have for Sahelian countries from Niger to Senegal will help solve the encroachment of desert in the region. The recession affects member

There is a general agreement on the need for monetary cooperation; everybody does agree that something must be done in the monetary field.

countries and makes them think first of how to solve national rather than regional problems. As an organization, we are affected, since resources are becoming scarce because of this shift in priorities.

Q: You have said that the main activity of ECOWAS is now the implementation of projects. This requires people in the field. How is the setting up of national secretariats faring?

A: The decision was taken to set up secretariats in every country. This has been done, but it is still a little too early to assess how each one of the national structures is performing. Because of the recession, we are now behind in our recruitment programs.

Q: What about the long-awaited monetary union?

A: The monetary union issue is a very sensitive one, but, nevertheless, very essential for the region. At the moment we have about 11 currencies, and only two are convertible. That is a hindrance to trade and investment. The experts who worked on the preliminary study recommended an expansion of the scope. When we started, our concern was to get to a concept of convertibility of the currencies in the region. But we noticed that what it would take for the countries to ensure the convertibility would not be substantially different from what they need in order to set up a monetary union.

Q: You mean that the 16 member countries could have a common currency?

A: There are various ways to achieve monetary union. The main features could be parity arrangements among the currencies, or a common currency, or a smaller number of currencies that could be jointly managed. These are the options that we are exploring. There is at the moment a general agreement on the need for monetary cooperation; everybody agrees that something must be done in the monetary field. That's why we decided on the comprehensive approach.

Q: How far have you gone in the implementation of the protocol on free movement within the region?

A: The protocol is in force. Now and then some countries close borders — Ghana and Nigeria have had theirs closed for several months — but the important thing

is to know that there has never been an attempt not to implement the protocol. Forceful implementation is something that, given the circumstances, such as the change of regime in Nigeria, is very sensitive. We are still at the first official phase, which caters for removal of visas, but gives no right of residence, and at the moment there is no breach of that agreement.

Q: In terms of social activities, we have not heard of ECOWAS for a long time. No more ECOWAS Games, for example?

A: We still have games, a football and a basketball cup, but we are definitely progressing with the creation of ECOWAS associations. Three of them exist already, involving women, youth and trade unions. The Universities Association will be launched in July in Monrovia, Liberia. We are also working on more discreet aspects such as the university degree equivalence plan and so on.

Q: You have now almost completed your second and last term as the head of the secretariat. Who is likely to follow you, and how do you assess your tenure of office?

A: For obvious ethical reasons, I cannot talk about my succession. I was the first secretary of ECOWAS; there is no jurisdiction about who should be my successor — francophone or anglophone — but, in terms of assessment, let us not forget that instead of criticizing the ECOWAS, one should always consider that we only are a reflection of the political decisions, commitments or attitudes of each one of the member states. The implementation does not depend on us but on the members.

Trade Imbalances Are Widening

(Continued From Previous Page)

It does not become national law until ratified at home, and domestic procedures differ. Ratification may be by the legislature or by presidential decree. What happens if there is a coup or the minister involved is removed from his post?

As comparable trade statistics are available only through 1981, it is difficult to assess the impact of these restrictive measures. The very low level of trade within ECOWAS, estimated at 2 to 3 percent of the members' total imports and exports, is unlikely to have changed much. And the Big Four — Nigeria, Ivory Coast, Senegal and Ghana — no doubt still account for 90 percent of all regional trade.

The survey did note that, when Liberia and Mauritania introduced "drastic measures to improve the balance of payments," they recorded a considerable improvement in their position. Not so with countries such as Benin, Guinea-Bissau, Senegal and Sierra Leone, where a series of balance-of-payments protective measures made no significant improvement. The reasons could be a steep increase in fuel bills as well as a lack of major export promotion measures.

The danger of beleaguering ECOWAS economies' attempting to gain relief by simply raising tariffs were discussed by Maciej Tymowski, trade information projects coordinator in Geneva. Mr. Tymowski pointed out that, at first, newly inde-

pendent states favored import substitution and high protective tariffs as the surest route to prosperity. Now the strategy of export promotion has been found to be better.

Otherwise, Mr. Tymowski said, there could be a downward spiraling chain reaction. "You increase the import tax," he explained, "and that triggers off a price distortion interest rate," where the rate of inflation is higher than the official lending rate. "Savings go down, and investments too; there is more unemployment and so a decrease in export capacity, less foreign currency, and a greater dependence on loans and aid from the West. And so it goes on. The best protection for the balance of payments is to boost exports."

Many of the problems of West Africa are present throughout the developing world. Mr. Tymowski said. But outward-oriented countries in Southeast Asia and Latin America successfully adjusted to crises such as the oil price increase of 1973 by liberalizing trade policies and exporting more, he said.

It is not surprising that West African economies are inward oriented, especially in countries such as Gambia, Benin or Upper Volta, where tariffs constitute the largest slice of state revenue. Poor countries have nothing to tax but imports. Duty actually collected, however, averages no more than 30 percent of the expected — or hoped for — potential.

Intercommunity Trade Lags

By Onyema Ugochukwu

LONDON — Commercial and other contacts among the 16 member nations of the Economic Community of West African States have not grown as fast as was expected when the organization was established nine years ago.

Intracommunity trade has remained relatively small, accounting for only about 4 percent of the countries' total external trade, while, political relations have remained their predominantly northward orientation.

One reason is the continuing polarization of ECOWAS between the English-speaking group and the French-speaking one, a heritage of the colonial era. While contacts within each group are bold and extensive, they tend to be tentative and limited across the former colonial empires.

A more fundamental cause is the gross inadequacy of communications linking the countries. Telecommunication links are so poor that a message from one West African country to another may have to be routed through Europe.

Road and rail links are undeveloped, arduous, sometimes hazardous. Roads still account for the bulk of traffic between countries, and plans to improve them are well-advanced. The ECOWAS area is well-served for under the Trans-African Highway System, with one route running along the coast from Lagos to Nouakchott in Mauritania, another from Dakar to Niamey in Chad and a third from Algiers across the Sahara to Lagos.

But most of the network is still under construction and seems certain to face further delays because of the economic difficulties that have affected almost all African countries involved in the construction. Distances are vast and travel along land routes is often made uncertain by border closures.

The latest border closure was by Nigeria, as part of its preparation for a recent currency exchange. The border between Ghana and Togo has been closed for most of the last two years. Ivory Coast's border with Ghana and Sierra Leone's border with Liberia have seen frequent and sometimes prolonged closures because of political frictions.

Air travel times have become a necessity rather than a luxury for the region, and is the means of transportation for a large portion of the substantial and growing unofficial trade (usually in the form of accompanied baggage) between the countries. Local newspaper reports suggest that market women are increasingly dominating the passenger lists on many routes, arriving early at one destination to trade and returning home with their money and purchases at the end of the day.

The ECOWAS area is well-served by air routes and each country has a national airline.



Ghana's Economic Recovery Programme Takes Off

When the Provisional National Defence Council (PNDC) Government began to inject discipline and sanity into Ghana's economy under a recovery package, the consequences were almost predictable. With an unprecedented over-valuation of the nation's currency, the cedi, to be dealt with; with the rate of inflation standing at a peak of 116 percent; with production having given up to buying and selling among strong employable youth; what was needed was a comprehensive recovery programme. It came in a Programme for Reconstruction and Development announced in December 1982, followed by a detailed financial policy package in the 1983 Budget Statement.

The Recovery Programme has been painful to the people, particularly that section which benefited so much from the top-sided economic system inherited by the PNDC. Even those down the socio-economic bottom-line, the lower income group, have had to live with low incomes and fairly high prices. The Chairman of the PNDC, FL-Lt. Jerry Rawlings, explaining the rationale behind the harsh action, kept telling the people: "The medicine is bitter, but it is necessary."

At the time the PNDC took over the administration of the country on December 31st, 1981, Ghana's account on external payments was in massive deficit, and the net uncommitted reserves estimated at C43.5 million could only finance a week's imports. Confidence among international financial and banking circles in Ghana's creditworthiness was almost nil. A deficit of C3 million had been left on the shoulders of the sole purchaser of cocoa, the Cocoa Marketing Board, because the previous government had tripled the producer price of Cocoa without making any arrangement for its financing. This was also at a time when poor shipment arrangements had left thousands of tons of cocoa rotting in the bush. In short, Ghana's economy was in a shambles.

What the Government called the Programme for Reconstruction and Development was a necessary measure. Stock had to be taken of the ills plaguing the economy. About a year from taking office, the PNDC had not only diagnosed the ills but had also provided the necessary prescription. The Economic Recovery Programme was announced in December, 1982, but it was not until April 1983 that it was launched.

OBJECTIVES OF THE PNDC

The objectives were clearly outlined. The first was to restore incentives for the production of food, industrial raw materials and export commodities, thereby increasing their output to modest but realistic levels. The shift from production to distribution among the youth, prior to the PNDC Administration, had effected even the rural population who had then lost the enthusiasm to produce more. It was only through the restoration of incentives that the spirit could be reawakened.

The second objective of the programme was to increase the availability of essential commodities and improve the distribution system. Hitherto, the goods that were imported with the nation's scarce foreign resources were distributed only in the urban areas where the big commercial houses operated. The rural folk, who generated the foreign exchange, normally bought the goods through middlemen and at cut-throat prices.

It there was any foreign exchange at all under the previous regime, its mode of allocation was always fraught with motives not connected with any form of priorities. The third objective of the Programme was therefore to increase the overall availability of foreign exchange in the country, improve the allocation mechanism and channel it into selective high priority activities.

The inflation rate of 116 percent was certainly alarming for a young developing country where production and productivity had been given the boot. To lower the rate of inflation was therefore a major objective, but this time it would be pursued by prudent fiscal, monetary and trade policies.

Another important objective of the Economic Recovery Programme was to rehabilitate the physical infrastructure of the country in support of directly productive activities.

And finally, it was the Government's objective to undertake systematic analyses and studies leading towards a major restructuring of economic institutions in the country.

When the Programme for Reconstruction and Development was launched on April 12th, 1983, this rest of the year (1983) was to lay the foundation for a sound macro-economic structure which would improve and rationalize the incentive system of the social and political mobilization effort. The incomes and prices policy had to be overhauled, and the pricing of foreign exchange had to be tackled to offer incentives for production. The Government introduced a system of surcharges and bonuses to earners of foreign exchange. And, in order to mitigate the difficulties which this adjustment would bring to the low-income group a multiple exchange rate system was adopted involving surcharge and bonus rates of 7.5 and 9.9 times the face value of the foreign currency involved.

These adjustments alone could not solve the Cedi problem. Foreign exchange was scarce, and in order to boost exports at home some foreign assistance was required to rehabilitate the export sector.

While the Economic Recovery Programme was intended to build an integrated self-reliant economy, it did not lose sight

of the urgent need for international assistance. Further, Ghana as a member of the International Monetary Fund, had every right to request for assistance from this world body. Initially, Ghana asked to purchase \$126.75 million under the Fund's Compensating Financing Facility on account of a shortfall in exports during the calendar year 1982; again a

further request was made for an additional drawing of about \$252 million under a one-year stand-by facility. Both requests were unanimously approved by the Fund's Executive Board on August 3rd, 1983 and the green light was given for the Recovery Programme to take off.

It is not only the IMF which supported the recovery package; the International Bank for Reconstruction and Development, gave the nod to the programme and immediately approved a special credit of \$40 million for the importation of urgently needed imports for the agricultural and transport sectors. In addition, the Bank's Executive Board approved a further credit of \$93 million for the rehabilitation of the Export Sector; the World Bank's representative in Ghana said: "We support realistic economic programmes, not the politics of a nation in need."

The Economic Recovery Programme won international applause and confidence. In fact, the African Development Bank threw in a \$30 million credit to improve transport and agriculture while the Arab Bank for Development of Africa (BADEA) pledged a credit line to support approved projects.

The response of these international and multi-lateral lending agencies is quite significant if looked at in a wider perspective. As indicated earlier, these agencies had lost hope in the performance of the Ghana economy prior to the advent of the PNDC. In fact, the World Bank had discontinued a number of projects and had shown its dissatisfaction by closing down its offices in Accra. No sooner had the Government launched its Recovery Programme than the World Bank reopened its offices in Ghana.

Can a revolution embrace the World Bank and the IMF as tightly as Ghana's has done?

Secretary for Finance and Economic Planning, Dr. Kwesi Botchway, has been asked this question several times, and on all occasions he has not minced his words: "Our Economic Recovery Programme was prepared by us in line with our revolutionary transformation exercise. The World Bank and the IMF saw the programme as realistic and lent their support. They did not dictate the programme to us."

Dr. Botchway has emphasized lots of times that the link with the IMF and the World Bank is not incompatible with the grand objectives of the Revolution's Recovery Programme, citing China, Vietnam and Hungary as examples of countries which have gone through revolutions and yet maintain their dealings with the two international bodies.

CONSULTATIVE GROUP FOR GHANA

In November 1983 a further pat on the shoulder for the Government came with the convening of this meeting of the Consultative Group for Ghana in Paris. This meeting which was not a donor's meeting, as some press reports described, brought together the United Kingdom, Italy, France, the Federal Republic of Germany, Switzerland, Canada, the United States, Japan, China, Brazil, The Netherlands and the Republic of Korea. Also present were the African Development Bank, the Arab Bank for Development of Africa, the European Investment Bank, the EEC, ECOWAS, the UNDP, the International Fund for Agricultural Development and the World Food Programme. This meeting indicated acceptance of Ghana's three-year investment programme which was presented there, and some of the participants pledged assistance in various fields. A target of about \$150 million, which Ghana needed for 1984 was met, and another meeting was scheduled for November this year.

Despite the grand designs on paper, 1983 turned out to have its own special highlights for Ghana's economy. Soon

after the launch of the Economic Recovery Programme, persistent drought hit the agricultural sector, farms were burnt, and the major foreign exchange earner, cocoa, was also badly hit by bush-fires. Agricultural production naturally fell and cocoa output slumped.

Added to this natural catastrophe was a social one brought about by the deportation of over one million Ghanaians from neighbouring Nigeria. With food farms burnt and pledged foreign assistance not yet having any impact on the economy, the arrival of another one million mouths to feed compounded the problems of a country clinging to a recovery programme.

Of course, international aid flowed to support particularly the rehabilitation of those deportees from Nigeria, but it had little or no effect on the hunger and deprivation that hit Ghana in 1983.

If any signs on the road to recovery were seen, it was during the latter part of 1983 when the small amount of accumulated foreign exchange began to bring in spare parts and some equipment for industry, particularly mining and bumber. It is estimated that if this trend continues, gold production, for example, will this year increase by about 30 percent and timber output in 1984 is projected to more than double.

One significant difference between the economic approach of the PNDC Government and previous regimes is that the PNDC recovery package has contained within it a national mobilization programme. This programme seeks to identify the priority areas, provides the right incentives and encourages production at all levels. Also built-in is a structure known as the People's Defence Committee, a movement set up in all communities and workplaces charged with ensuring that government programmes are implemented without any of the previous attendant ills such as bribery, corruption and mismanagement.

The year 1984 provides a ray of hope. Not only is the encouraging trend of late 1983 continuing but the rains have also set in and most of the replanting undertaken in agriculture and cocoa crop production have started yielding results.

For the average citizen, the change is significant. Although wages are yet to catch up with prices, it is already noticeable that compared to 1983, this year is a blessing. An "American tin" of gari, a popular food item, which cost ₵350 in 1983 is now ₵255.00.

Taxes collected also showed a marked improvement. The ₵485.4 million collected not only exceeded the revised estimate by 29 percent but also improved on the 1982 performance, by 58 percent.

In addition, as a result of control and monitoring measures introduced in the system the Government's current revenue and grants for 1984 are ₵22.6 billion, an increase of almost 80% over the 1983 figure.

NATIONAL MOBILIZATION PROGRAMME

The National Mobilization Programme continues to propel the Recovery Programme with its declared objective of mobilizing all available resources to achieve maximum production in the priority sectors of the economy both agricultural and industrial. Not a day passes when the Programme does not spread to district level, resettling more people, replanting or rehabilitating burnt cocoa farms, transporting vegetables from the villages to the cities and distributing food aid to the needy. The work is supplemented by a programme whereby a number of civil and public servants are being redeployed into productive ventures, such as in agriculture, in small-scale rural and urban industry and in constructional and social improvement works.

It is estimated that, in 1984, Ghana will earn about \$641.2 million from the export of commodities including energy, an increase of \$181.9 million over the 1983 provisional out-turn of \$459.3 million.

It is not possible to be so optimistic about export revenue without due recognition of the role private investment has been given in the Economic Recovery Programme.

In a draft Investment Code which is now being debated by industrialists, bankers, foreign investors and government officials, investors are being encouraged to go into agriculture, minerals, petroleum, manufacturing, tourism and this construction industries. A Ghana Investment Centre has been established to promote and regulate investments in Ghana. Minimum foreign capital requirement for non-Ghanaians investors and investments is pegged at \$100,000 and there are generous concessions for investors in the matter of repatriation of profits. While foreign and local investors actively prepare to support the PNDC's Programme for Reconstruction and Development, sight is not lost of the overriding goal of the Ghana Government; that is, to develop the foundation of a self-sustaining and integrated national economy through an increase in production, export promotion and high employment generation, coupled with effective utilization and development of local resources.

It is an uphill task which has the total support of patriotic Ghanaians at home and abroad. There is no doubt that Ghana can count on the support of her friends in attaining the laudable objectives of the National Economic Recovery Programme.

US\$1 = ₵35.00

Obstacles Remain To New Lomé Pact

By Tony Hill

LONDON — Since October, all 16 states of the Economic Community of West African States, along with 48 other developing countries from black Africa, the Caribbean and the Pacific — known as the ACP nations — have been negotiating a new trade and aid agreement with the European Community.

The third Lomé Convention, as the agreement is called, is to take effect when the five-year Lomé-2 pact ends in February. Despite three full ministerial negotiating sessions so far, little headway has been made over the last eight months. The areas of divergence between the two sides on trade, finance, human rights, and the EC's proposal to link aid spending to "policy dialogue" with ACP governments, have scarcely been broached, let alone resolved.

The last ministerial session, in Luxembourg at the end of June, showed the EC itself to be divided, with the British and West Germans proposing greater trade concessions for the ACP but a reduction of funds for the aid package, while the French, Italians and Greeks wanted to maintain aid levels but opposed greater trade concessions, fearing that these would hurt their own producers.

When Lomé-1 was signed in 1975 it was welcomed as a breakthrough in North-South relations. It included a wide range of provi-

sions for assisting the development of the ACP countries, which set it apart from conventional aid programs. On the trade side it offered preferential access to EC markets for ACP exports, and a novel plan for stabilizing the export income of more than 40 ACP agricultural commodities.

The more than \$8 billion in aid allocated in Lomé-1 and Lomé-2 has been used to finance a diverse range of development projects, to assist ACP mining industries in difficulty, to promote regional cooperation between ACP countries and to encourage industrial development.

But the euphoria that greeted Lomé-1 has disappeared. Flaws in the original Lomé model combined with the disastrous impact of world recession on most ACP countries have created a wide gap between promises and achievements. Despite preferential trade agreements the ACP share of the European market has fallen, from 8.2 percent in 1972 to 5.5 percent in 1981. ACP export losses, due to declining world prices after 1979, have not been matched by the funds allocated to the export stabilization plan, or Stabex. And only 30 percent of claims for compensation were met in 1980-1981.

On top of this, the ACP group said that its efforts to diversify exports had run up against protectionist barriers in "sensitive" Euro-

(Continued on Page 10)

Immigration: Major Problem

(Continued From Previous Page)

this year. The borders were completely closed when the government started replacing all naira currency notes in April.

Apart from cutting down trafficking in new naira notes, the closure paralyzed unofficial trade in foodstuffs and other commodities. Ghana closed its borders to prevent smuggling of its prime cocoa export crop to Ivory Coast. As oil products in Nigeria cost half the price in neighbouring West African countries, oil dealers made vast profits sending tankers of Nigerian gasoline across the borders. The Nigerian minister of petroleum and energy, Tem David West, said Nigeria had been losing more than \$1 million a day to the smuggling.

Though its relative prosperity has made Nigeria the most popular destination for West African migrants, there are also considerable immigrant populations, both legal and illegal, in Ivory Coast and Liberia. More than 5 million Nigerians are estimated to be living in

Ivory Coast, encouraged by its semi-convertible currency and a hitherto liberal import policy, which made trading profitable. For similar reasons Liberia has attracted many migrants from countries such as Sierra Leone and Guinea.

The death of Ahmed Sékou Touré in Guinea and the relaxation of some of its government's more rigid political and economic policies encouraged many Guineans elsewhere in West Africa to return home.

But the predominant motivation for the migrations in West Africa is economic, including the money to be made by playing off nonconvertible currencies like the naira and cedi against the semi-convertible currency linked to the French franc used in most francophone countries of the region. When ECOWAS officials discuss the protocol on free movement next year, at least some are likely to argue that only a more cohesive economic policy in the region can help the community effectively proceed with the protocol.

سونا من الاول

Sahel: Sharp Rise in Childrens' Deaths Predicted

GENEVA — Doctors working in West Africa's drought-ridden Sahel belt say they expect to see a sharp rise in deaths of young children.

Health specialists in the region have had their hands full over the past dozen years trying to keep people alive and only now are they collating research on the long-term effects of malnutrition. But Dr. John Seaman, senior medical officer of the Save the Children Fund, has warned that the widespread presence of marasmus, a body-wasting illness, in Upper Volta will soon be reflected by more deaths in children, especially under the age of 5.

In countries where the infant mortality rate is already more than one in five, it is often difficult to assess the effect of a further catastrophe. The great drought of 1968-1973 may have killed 100,000 people, of whom children would have made up a disproportionate amount. But as many of the victims were pastoral tribes such as the Fula, Tuaregs and others who follow their herds for much of the year, exact figures — even approximate ones — will probably never be known.

One vital lesson that has been learned from observers in Ethiopia, however, is that cultivators, who live all year in villages, should not flee the famine but stay put and wait for food aid to come to them.

Paul Shears, who has worked for Oxfam in Ethiopia, said children taken to relief camps are more vulnerable to killer diseases, particularly if already weakened by malnourishment. "The relief centers

are dirty, housing and food are poor, and you are liable to get dysentery, diarrhea, measles or typhus, which is a typical famine disease; food distribution in villages reduces the chances of both malnutrition and sickness," he said.

Dr. Shears cited the example of the Ebina relief camp in Gondar province, northern Ethiopia, which made headlines last year when malnutrition rates jumped from 25 to 45 percent in two months. "The problem was that the food ration was insufficient, there was overcrowding and the water was poor, causing massive dysentery," Dr. Shears said. "But 20 kilometers away over the hill, a village in the heart of the drought area, which had received its rations, had no malnutrition or ill health."

The dangers of disruption to the family when it moves from the desert to the town were well-illustrated by the case of Mauritania. Dr. Alberto Pradilla, chief of the World Health Organization nutrition unit, said migrants there, mainly Moors, got enough food but contracted illnesses they had not encountered in the desert.

"Food supply does not reflect the final health status," he said. "India is self-sufficient in food, but its health situation is one of the worst in the world."

This indirect cause of mortality through disease may contribute more to drought death figures than do starvation and malnutrition.

Doctors agree that if an infant gets good breast milk (that is, from a mother who is not malnourished), its chances of survival are high. The most vulnerable period is from weaning, at about 18 months, to 5

years. But these days the mother's lot in Africa, where she is responsible for 80 percent of food production, is seriously undermined in the marginal land of the Sahel. Women fetch water for drinking and washing, and children are neglected if their mothers must spend hours each day searching for working wells.

Nigel Twose of Oxfam, in his report on the drought, "Why the Poor Suffer Most," described women sleeping beside wells in northern Upper Volta in 1983 so that they would be the first to collect the trickle that appeared as the water table rose in the morning. "Less water for washing and cooking means less water for the vegetable garden and less food for the family," Mr. Twose wrote. "The supply of protein, essential for a balanced diet, disappears without the vegetable source. The inadequate water supply means that people drink dirty water, which would have been left in good years. This leads to more sickness, especially among children."

One alarming consequence of the drought has been the spread of cerebro-spinal meningitis to areas where this child-killing disease had not appeared before. The meningitis belt corresponds roughly to the Sahel, stretching from Sudan to the Atlantic. Now that the Sahel has dropped 150 kilometers (93 miles) south, people in northern Ghana and Ivory Coast are contracting the disease. It comes in four-year cycles, starting in the dry season, around January and February, and moves west, probably carried on the trade winds. The germs lodge in the pharynx and spread when dust

irritates the mucus, causing sneezing. As soon as the rains start, the danger disappears.

Dr. René Le Berre, a World Health Organization doctor with many years in the Sahel, said outbreaks of meningitis as far south as latitude 9 degrees north "are a direct consequence of the drought."

Ochocerciasis, or river blindness, is one tropical scourge that has not profited from the drought. WHO has an extensive program to combat the black fly, the oncho vector, which attacks humans working near rivers. But with many rivers in the north of the control area, in Upper Volta and Mali, drying up, the flies have stayed away. Once the rains start, and the rivers flow continuously, insecticide spraying from the air will be resumed. There is one snag — if the river flows slowly, or fitfully, treatment of the water has to take place at more points, making the operation more costly.

Fulani cattle herders have also suffered from having to stay farther south than they are accustomed to. Last year a group in Upper Volta, grazing their cattle in a mosquito breeding area in savannah country near the Niger border, were badly hit by yellow fever.

The outbreak was soon detected, but not before it killed at least 200 people, mostly under the age of 20. Lacking previous contact with mosquitoes, they had no resistance to the disease. Since then more than a million people have been vaccinated against yellow fever. But it is the permanent effects of long-term malnutrition that most worry the

experts. "Almost two-thirds of African children under 5 are affected with moderate to severe degrees of protein-energy malnutrition," Romeo Malone, director-general of the nongovernmental organizations divisions of the Canadian International Development Agency, said at a Lutheran conference in France in May.

That fraction is certain to be higher in the Sahel. Background Notes, a publication of the Economic Community of West African States, reported recently that 11 member countries — Benin, Cape Verde, Gambia, Ghana, Guinea, Guinea-Bissau, Mali, Mauritania, Senegal, Togo and Upper Volta — require 2.5 million tons of food imports this year, more than half of which would have to be in the form of aid. Although some of the countries, in particular Ghana, are short of grain for reasons other than drought, this makes little difference to a hungry child.

Sahelian infant mortality rates (deaths per thousand of surviving babies up to age 1) are among the worst in the world, according to the latest WHO figures. Only the islands of Cape Verde, with 82 per 1,000, are under 100. Gambia's rate is 198, Guinea's is 165. Even in relatively prosperous Nigeria the rate is 134, while the worst are Sierra Leone at 208 and Upper Volta at 211. These are national averages. In some villages in Mali, infant mortality is 3 in 10.

Further, a WHO report in May mentioned studies on the behavior of drought-stricken populations just carried out in countries such as Mauritania, Senegal and Upper



Lungbunga Village in Ghana's northern region.

Volta; it speaks of "psychomatic disorders of varying gravity, depressive syndromes and neuroses among the populations. Land and villages are being deserted in the search for less inhospitable abodes. All this is bringing about a weakening of national cultural values, which is detrimental to physical and spiritual health."

The report warns that the "very survival of over 150 million men, women and children is threatened

and hundreds of thousands of head of livestock are doomed to certain death from lack of water and pasture."

There has been a great deal of debate among doctors as to the effect of chronic malnutrition on intelligence. Dr. Michel Gabaudan, a public health specialist with the United Nations High Commission for Refugees in Geneva, said several research papers had suggested that malnutrition might affect "the

neurological aspect — which, more bluntly put, means brain power, inventiveness."

"But we must be cautious," Dr. Gabaudan said. "By long term, we mean a period of, say, six years, during which time other factors, like poverty, disease, bad water will play a role. But there can be no doubt that malnutrition is a major contributing factor to a child's neurological development."

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A SPECIAL REPORT ON WEST AFRICA

High Stakes in the Gamble for Oil Production

By Rod Chapman

LONDON — Oil exportation has always been a gambler's play, to a greater or lesser degree, though recent complacency about international oil supplies has tended to obscure that characteristic. With some of the established production areas in the Western Hemisphere beginning to decline, the major oil companies are asking for new cards — and the state of licensing activity in West Africa reveals one of their main areas of interest.

"We're talking of big concessions and big structures," said an oil executive. "It's real gambling money: If you do hit oil, the chances are very good of a find that will provide big production." The companies' diversification has been encouraged by changing circumstances elsewhere in the region.

The area's leading producer in the past has been Nigeria, whose output drifted above its OPEC production ceiling in the months immediately after the military coup at the start of the year, apparently by agreement with the Saudis and other producers in the Organization of Petroleum Exporting Countries. At the end of the first quarter,

Nigerian production was hovering around 1.6 million barrels a day, compared with an OPEC quota of 1.3 million barrels a day. It has now slipped back slightly.

Several factors, however, have cooled the oil companies' enthusiasm for Nigeria. The country reportedly turned away customers in April as it trimmed production, and has remained surprisingly true to OPEC output restraints since, given its financial straits. To the spring of 1982, OPEC showed itself willing to shore up Nigeria, potentially the weakest link in the organization, and the oil industry is running well below capacity.

The constraints, the uncertainties over policies of Nigeria's new military government and the oil companies' problems with working conditions there have provided extra impetus to conclude deals elsewhere. Whatever the political complexion of governments in some of the smaller countries along the West African coast, executives now argue that they may provide more stable terms.

This criterion appears to apply, above all, to Angola, the fast-growing African oil producer. In

early June, British Petroleum entered the market by acquiring a 10-percent stake in an offshore block north of Luanda. The area, Block 4, in which seismic work is being carried out, is being explored by a consortium whose other members are the Angolan state oil company, Sonangol, Braspetro of Brazil and Belgium's Petrofina. BP's move into a market it has been watching closely for some time was announced during a visit of a British oil industry trade mission. It could presage greater British involvement in offshore prospects in West Africa.

The British visit followed one to Britain by a top-level Angolan mission at the end of last year, signaling Luanda's intention to involve the British offshore industry in a market previously dominated by French and U.S. companies. Informed sources on the British mission said a minimum of \$2.5 billion could be spent on developing new fields by the end of the decade.

The problem for Angola, as for other producers in the region, is that output stands to decline in the second half of the decade unless new reserves are developed. Ango-

lan production is projected at 197,000 barrels a day this year and 220,000 next, but a drop of 10 percent a year might ensue thereafter.

The estimates for development expenditure allocate \$1 billion for the Cabinda field in the north and a further \$1 billion for Block 3, which the French company Elf Aquitaine has been developing. Elf has virtually completed the first stage of its exploration program in the block and expects to be producing oil from the Palanca field there by the end of the first quarter next year. Output from Palanca and the nearby Facassa field should add more than 60,000 barrels a day to Angola's production by the late 1980s.

Texaco is understood to be preparing a package of incentives aimed at encouraging the oil companies to bring on marginal new fields. Many may be willing to take the gamble.

Angola's eagerness to look to the future is shared by other West African states, for the same reason. A survey published in April by the British consulting firm Gaffney, Cline showed that offshore exploration drilling in the area dropped

sharply last year — though this was partly offset, as in Angola, by increased development.

The survey concluded that the oil companies drilled only about 40 wildcat wells in 1983, while the figure was nearly double in the two previous years. Total wells drilled dropped to 250 from 270.

Many companies confirm that their interests belie the lull in activities. Amoco, a subsidiary of Standard Oil of Indiana, has been particularly active and is one of the biggest license holders in the region.

Earlier this month, Amoco, teamed up with two U.S. independents, Aracra and Onoco, to sign a licensing agreement with Sierra Leone. The area gives an indication of the possible size of the pots the oilmen are shooting for: The license covers 7.17 million acres (2.9 million hectares) — the equivalent of about 100 exploration blocks in Britain's North Sea. Major seismic surveys of the area began this summer.

Amoco has acquired a similarly vast acreage off Liberia, where just over a year ago it was awarded a 100-percent interest in four blocks



A Gulf oil rig in the mangrove swamps of the Niger River delta.

covering 5.66 million acres.

Other leading companies, too, feature prominently in West African exploration efforts. The Royal Dutch/Shell group is looking for oil off the Ivory Coast, BP is putting down its first well off Guinea-Bissau and the other French state-backed company, CFP (Total) is still active in the area.

The only question mark concerns Elf's plans. Its new president, Michel Perceq, is said to be reviewing West African operations, and some reports say its African budgets will be pruned this year. But the first exploration well to be drilled since Guinea-Bissau achieved independence is due to be started this summer, and the Senegalese state oil company, Petrosec, is said to be approaching Western oil companies again.

An escalation of the border dispute between Senegal and Guinea-Bissau forced Petro-Canada to suspend drilling operations earlier this year. But the first exploration well to be drilled since Guinea-Bissau achieved independence is due to be started this summer, and the Senegalese state oil company, Petrosec, is said to be approaching Western oil companies again.

Guinea: Waiting to See If Promises Are Fulfilled

By Peter Blackburn

CONAKRY — The 50 white villas standing empty near the Conakry seaford are rapidly coming to resemble a cemetery for the international projects of President Ahmed Sékou Touré, who died suddenly after a heart attack in March. The luxury villas were built to accommodate heads of state attending the Organization of African Unity summit that was to have taken place in Guinea's capital in May. They should also have received heads of state attending the summit of the Economic Community of West African States. Both meetings were switched to different locations and the villas remain empty.

Several hundred million dollars, mainly of Arab money, was spent on improving conference, hotel and communications facilities in preparation for the summits. The investment was all the more remarkable in a town that has seen little new construction since independence from France 26 years ago.

The summits were switched partly because of Mr. Sékou Touré's death but mainly because of the military takeover that followed soon after.

Guinea's new rulers condemned

the Sékou Touré government as a "bloody and pitiless dictatorship" and promised radical changes in policy. But, for all its domestic failings, Mr. Sékou Touré enjoyed considerable prestige throughout Africa as one of the original leaders of the anti-imperialist struggle and the fight for African independence.

Some 19 African leaders, who braved Conakry's sweltering heat to attend Mr. Sékou Touré's funeral, said that they would have considered it "indecent" to go ahead with the summit as planned.

Guinean political exiles say it was poetic justice that Mr. Sékou Touré should have died just before achieving his most cherished ambition: the OAU presidency. They point out that Diallo Telli, a former OAU secretary-general, was starved to death in one of Mr. Sékou Touré's prison camps.

This was the notorious Camp Boiro in Conakry, near the grandiose Saudi-financed mosque where Mr. Sékou Touré is buried. Many hundreds of Guineans were tortured or starved to death in the dark, airless cells shrouded by mango trees.

One of the first acts of the new government was to empty Camp Boiro and free all political prisoners.

For a short time the prison's horrors — graffiti written by dying prisoners, instruments of torture — were put on public display. Now the gates are closed again and whip-wielding guards keep the curious at bay.

"We didn't want Camp Boiro to become a tourist attraction," a senior Guinean official said. "It is a national disgrace. We must look to the future and not dig up the horrors of the past."

The military government has so far resisted demands for vengeance and has acted with moderation. But the prime minister and apparent top leader of the new regime, Colonel Diarra Traoré, indicated recently that leading members of the Sékou Touré government would be tried on charges of responsibility in the deaths of "many thousands" of Guineans.

Among the accused are the former president's half-brother, Ismaél Touré, and nephew, Siaka Touré, both one-time commanders of Camp Boiro.

The popularity of the military government has been enhanced by promises to introduce a society in which human rights, free speech and freedom of movement would be guaranteed.

Under the government plans, it will be possible, for example, for a trader in Conakry to travel home to Mamou, 140 miles (225 kilometers) away in the Fouta Djallon mountains, for a family funeral. Travel within Guinea was strictly controlled before, partly because of Mr. Sékou Touré's fear of coups.

Although the country's new president, Colonel Lansana Conté, has promised to introduce "genuine democracy," he has stressed that "racism, regionalism and sectarianism" must first be eliminated. A quick return to civilian rule is therefore unlikely.

One of the main priorities of the new government is the reconstruction of the neglected economy — potentially the richest in francophone West Africa.

Despite immense mineral wealth, including one-third of the world's known bauxite reserves, and plentiful fertile land, the Guinean economy has steadily disintegrated since 1958. Guinea has become one of the poorest countries on Earth, with a per-capita income of \$290 a year.

Successive political purges resulted in severe economic disruption and the flight abroad of about 25 percent of a population of 5.5

million. Attempts to follow the Soviet economic model with centralized planning and state-controlled enterprises proved disastrous. A grossly overvalued and unconvertible currency, the syli, encouraged black-market trading and smuggling. Farmers smuggled their crops across the frontier into Liberia and Senegal for payment in hard currency, creating food shortages in Conakry.

The military has promised to introduce far-reaching monetary and economic reforms to provide the foundations for economic recovery.

The government has promised to liberalize the economy and make private enterprise the main motor of economic growth. In particular, it hopes that the large community of Guinean exiles will return and invest its savings in small business ventures.

A recent airline flight from Abidjan to Conakry was predictably late and packed. More unusually, however, it was crowded with excited Guineans returning home heavily laden with consumer items unavailable in Guinea. "The changes are too good to be true," said one prosperous trader.

Like Western investors, Guinean exiles are likely to wait and see if the government fulfills its promises before deciding to return home definitively.

Africa: Continent of Coups

(Continued From Page 7)

professionalization in the armed forces. Criteria of recruitment and promotion are sometimes educational rather than based on merit. Pay is often so low as to be a clear invitation to silent looting among civilians.

And there is the further factor of boredom in the barracks. Ultimately, what are African armies for? In the majority of cases there are no likely wars with foreign powers on the horizon. In most countries, there are no major defense needs. Heroism for African soldiers is therefore to be sought not on the battlefield but in the political arena, not in military command against the enemy but in political command over one's compatriots. African armies are therefore tempted to proclaim themselves the political and moral custodians of the national interest, rather than the military defenders of the nation's security and sovereignty.

But the story of military coups in Africa will not be complete until analysts also try to understand under what conditions coups do not occur and why. Why have the longest surviving civilian regimes invariably been one-party states, such as Tanzania, Zambia, Malawi, the Ivory Coast and Kenya?

In Africa's first posthumous coup, the Guinean army "overthrew" Ahmed Sékou Touré after he had died of natural causes and been buried with pomp. It was as if the soldiers could not look the veteran politician in the eye while he lived — and only gathered enough courage to challenge him after his death.

Has the one-party system in Africa been a better safeguard against military coups than a multiparty system? In the early 1960s, it was widely assumed that since the British tradition of civilian supremacy was stronger than the French, English-speaking

Africa would be safer from military coups than French-speaking Africa. Former French colonies had already experienced several coups, but then De Gaulle had himself come to power in France in 1958 in a period of military insubordination. A bad example for French Africa, perhaps?

But the naive idea that British traditions were more resiliently civilian than French traditions and had been transmitted to former British colonies has long since died. In 1964, English-speaking Africa had its first taste of military intervention, and Julius Nyerere of Tanzania suffered the most humiliating moment of his political career. He had to invite British troops to rescue him and disarm his own mutinous soldiers.

John Kenyatta in Kenya and Milton Obote, the first time in power in Uganda, similarly had to call for British troops to disarm their own soldiers. Civilian-military relations in the whole of Anglophone Africa were never the same again. West Africans sat up and agonized over the implications of events in the east. Kwame Nkrumah of Ghana condemned East Africans for calling back British troops. Two years later he was overthrown, confirming the trend toward a politicized army.

Yet Julius Nyerere survives today. He learned the lessons of 1964 and gave the soldiers a role in the affairs of the ruling party. Tanzania's fragile experiment in civilian-military relations may be of relevance for West Africa.

It can be taken for granted that no government in Africa as a whole is "coup-proof." But perhaps some comfort should be taken from the fact that some governments have proved to be less "coup-prone" than others. West Africans should begin to study the causes of the survival of civilian government, with as much earnestness as many have studied the causes of its collapse.

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Containerization: Answer to Shipping Problems?

By Lisa Buckingham

LONDON — Container shipping is now an integral part of West African transport, and in the next few years hundreds of millions of dollars will be poured in to build more modern terminals. But the vast scale of investment has done little to quiet fears that containerization may not provide the promised solution to the region's transport difficulties.

The recent explosion of container facilities in West Africa was prompted largely by Western shipping lines, which had invested heavily in building modern cellular tonnage wholly containerized ships and which were no longer prepared to tolerate existing ports. West Africa was left in little doubt that shippers' services to exporting countries would deteriorate unless ports were upgraded.

The phenomenal cost of building container ports, compared with other types of port terminals, has reawakened concern that containers may not be the right answer for West Africa's shipping industry. Containerization has undoubtedly reduced theft and damage. It has helped inland transport operators and has speeded up the movement of goods. But experts in the shipping industry who are unconnected with the powerful Western-dominated shipping cartels or container services now say that roll-on/roll-off (ro-ro) ships and terminals are more appropriate. These vessels are cheaper and the port facilities

needed to handle them are minimal. Rolling cargoes do away with the need for sophisticated handling gear and the vessels are able to carry the whole range of goods produced in the region.

There is a growing feeling that West Africa has already built port facilities beyond those that were really needed by Western shippers. Some critics also charge that the investment decisions by the African national shipping lines were heavily influenced by the more established operators and that these decisions have now turned out to be wrong. Western owners wanted the West African lines to conform by buying multipurpose ships. Since then the Western owners have moved on to fully containerized ships, leaving the African owners with uneconomic ships and not enough cash to replace them.

It is only outside the shipping conferences that ro-ro ships are found in any numbers. During the last few years of trade upheaval in the region the ro-ro concept has proved its merits.

These ships, with their minimal shore-side needs, have been able to replace lost Nigerian cargoes with exports from other countries because they can hop in and out of undeveloped gateways and provide a far more comprehensive service for the region's shippers than the conferences can with their big container ships.

There are also doubts about the suitability of containers for some of West Africa's major exports, such

as cocoa, coffee, timber, textiles, vegetable oils and perishable foods. Coffee, for instance, is considered a "sweaty" cargo that needs ventilated boxes.

At a recent Africa Symposium in Abidjan it was suggested that national shipping lines might be losing trade because of containerization. This is particularly acute now that the United Nations Liner Code is in force. The code suggests that the cargoes carried by conference lines be divided with the national lines of each trading partner carrying 40 percent of the traffic and the remaining 20 percent left for third-party or cross-trade shipping lines.

Despite the recent drastic cuts in imports, Nigeria has the most ambitious port development under consideration, even though the country is already so well endowed with port facilities that congestion might soon be a thing of the past.

The Dutch group Royal Vopak Stevia is involved with work at Onne, near Port Harcourt, where a bulk cargo berth, three general cargo terminals and a ro-ro berth are being built. Plans to modernize and extend the Apapa docks at Lagos appear to have been put on ice, according to the British consultants on the project, but officials still intend to rehabilitate the 60-year-old breaker at the entrance to Lagos harbor.

There is a more tentative plan to construct a new ocean terminal with two bulk grain terminals, as

well as two berths for containerized cargoes, to provide Nigeria with a new commercial and industrial port. So far a site has not been chosen.

Large-scale projects are also under way in Cameroon. A French consortium is working on a \$13.3-million upgrading of Douala, where a 200-meter (660-foot) container berth and two multipurpose terminals form the heart of the project. A ventilated warehouse for fruit and general cargo is also being built. Completion of this project is scheduled for the end of 1988.

Ivory Coast, already endowed with one of the finest container ports in the region, in Abidjan, is looking at the large-scale development of Abidjan and San Pedro, although work is not expected to start for some time. These plans will give the country a huge array of modern port facilities. Abidjan already handles about 1.5 million metric tons of containerized cargo a year — much of which is transhipped to Nigeria — and another 1,000 meters of quay will be constructed to provide extra container, mineral and sugar berths.

A \$30-million improvement of Bikaner port in Guinea-Bissau is starting. This will give a significant boost to the country's limited facilities. The project is scheduled for completion by 1987. Installation of recent river ports around the country should accelerate internal trade and the marketing of agricultural goods.

Obstacles to New Lomé Pact

(Continued From Page 8)

West Africa is well represented at the negotiating table, with Nigeria, Togo and Senegal heading three of the nine negotiating groups, two on trade and one on institutional and legal matters.

The region embraces some of the most developed, as well as least developed, of the countries in the ACP group: Nigeria, Ivory Coast, Ghana and Cameroon account for more than 35 percent of total ACP exports to the EC. Although West Africa is an influential bloc in ACP-EC affairs, some observers suggest that, far too often, its influ-

ence has been decidedly conservative.

Though the ACP is united on the need to secure a better deal from the EC, the climate in Europe is hardly conducive to major concessions. More than 12 million EC citizens are without work and the EC itself is still in political and financial disarray despite the breathing space achieved by the compromise on Britain's budget at the Fontainebleau summit. The next Lomé Convention's aid fund is likely to suffer, and prospects for halting the fall in the real value of EC aid since Lomé-I are bleak.

The EC says its priority in the present talks is to improve the quality and effectiveness of the convention's aid package by attempting to increase levels of food production and food security. While this seems eminently sensible, given the precarious food situation in many ACP countries, the proposal that aid spending involve "dialogue" on ACP domestic policies has been the source of considerable controversy.

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SPORTS

Cubs, Shouldering Double Play, Overcome Expos

Compiled in Our Staff From Dispatches
CHICAGO — Reserve outfielder Henry Cotto drove in Ron Cey with the tie-breaking run in the seventh inning as the Chicago Cubs beat the Montreal Expos, 3-2, Thursday although they needed a bizarre double play to do it.

Rick Sutcliffe (8-1) took a six-hitter into the ninth but left after singles by Tim Lincecum and pinch-hitter Mike Stenhouse put runners on first and third with one out. Reliever Lee Smith was then summoned to face pinch-hitter Pete Rose.

With Stenhouse running on a 3-2 pitch, Rose hit a ball off Smith's right shoulder. Reserve shortstop Dave Owen dashed in, caught the ball in the air and fired to first to double up Stenhouse.

Sutcliffe won his sixth straight game, striking out 10. Smith earned his 23rd save. Bryn Smith (9-9) was the loser.

To the seventh, Cotto made a one-handed, diving catch in center on a ball hit by Tim Lincecum, who

would have had a triple, if not an inside-the-park homer, had Cotto not caught it.

The Cubs extended their lead over the New York Mets to 1½ games in the National League East.

Pirates 6, Mets 4
In Pittsburgh, Lee Lacy sliced a two-run triple off reliever Jesse Orosco to ignite a three-run eighth.

BASEBALL ROUNDUP
inning rally that lifted the Pirates to a 6-4 victory over New York. It was New York's seventh straight loss.

Reliever Don Robinson (1-4) pitched three scoreless innings for the victory. Trailing 4-3, Jason Thompson led off with a walk off starter Ron Darling (10-4). Tony Pena was hit with a pitch and Orosco entered and got Johnny Ray to ground into a force at second.

Lacy then hit his triple into the right center field gap to score pinch runner Doug Frobel and Ray. Lacy scored on a sacrifice fly by Dale Berra.

Giants 5, Reds 2

In Cincinnati, Chili Davis ended a one-for-19 slump with a four-for-four performance and Jeff Leonard hit a two-run home run to help San Francisco break a four-game losing streak by beating the Reds, 5-2. Leonard homered in the first inning and Davis ended a five-game slump by collecting three singles and a triple for two RBIs.

Phillies 3, Cardinals 2
In St. Louis, Shane Rawley pitched seven scoreless innings and singled for his first major-league hit to ignite a three-run uprising in

the eighth inning. Trailing 2-1, Rawley pitched a 3-2 victory over the Cardinals. Rawley (4-3) allowed five hits, struck out two and walked two in ending his personal two-game losing streak as well as the Phillies' two-game winless skid. Larry Andersen took over after Rawley issued a leadoff walk in the eighth and needed help from Al Holland after his scoreless pitching streak ended at 33 innings in the ninth. The triumph left Phil-

adelphia 4½ games behind the Cubs and three games in back of the Mets.

Tigers 2, Indians 1
In the American League, in Detroit, Lou Whitaker hit a two-run homer and Jack Morris scattered seven hits in eight innings to earn his 14th victory as the Tigers defeated Cleveland, 2-1, to gain a split of a four-game series. It was the fourth straight victory over Cleveland for Morris (14-7), who now has a career record of 13-5 against the Indians. Willie Hernandez pitched the ninth, allowing one hit, to earn his 23rd save. Morris allowed only Andre Thornton's 23rd home run in the fourth, which gave the Indians a 1-0 lead.

Yankees 6, Brewers 4
In New York, Rick Cerone's blooper single in the eighth inning scored Omar Moreno with the go-ahead run as the Yankees beat Milwaukee, 6-4. The victory gave the Yankees a four-game series sweep and put them at the 500 mark for the first time since April 20.

Angels 14, Twins 2
In Anaheim, California, Fred Lynn drove in four runs with a

home run, triple and two singles to spearhead a 15-hit attack to power the Angels to a 14-2 thrashing of Minnesota. California's fourth straight victory moved the Angels into first place in the AL West, a half-game ahead of the Twins. The triumph also was their first in the last seven games against Minnesota. California scored eight runs in the fourth as the first eight batters reached safely on five singles and three walks. The key blow in the inning was a two-run single by Juan Benitez. Rod Carew, Lynn and Doug DeCinces all contributed RBIs.

Other runs were scored on Bobby Grich's sacrifice fly, Reggie Jackson's RBI ground-out and a wild pitch by reliever Bobby Castillo. (AP, UPI)

Standings

NATIONAL LEAGUE
EAST W L Pct. GB
Chicago 42 44 .488 0
New York 39 47 .451 2½
Philadelphia 37 49 .432 4½
St. Louis 35 51 .405 6½
Montreal 33 53 .384 8½
Pittsburgh 31 55 .358 10½
Cincinnati 29 57 .338 12½
San Francisco 27 59 .318 14½
Milwaukee 25 61 .298 16½
Los Angeles 23 63 .268 18½
San Diego 21 65 .248 20½
Houston 19 67 .228 22½
Cleveland 17 69 .208 24½
Detroit 15 71 .188 26½
Kansas City 13 73 .168 28½
Texas 11 75 .148 30½
Seattle 9 77 .128 32½
Oakland 7 79 .108 34½
Boston 5 81 .088 36½
Atlanta 3 83 .068 38½
Washington 1 85 .048 40½

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SPORTS

Davis, U.S. Men Shatter World Swimming Marks

By Our Staff From Dispatches
LOS ANGELES — Male swimmers from a Canadian and a U.S. team, continued their assault on world records Thursday.

Victor Davis of Canada set a fast in the first hundred meters to the 200-meter breaststroke and his world record to 2 minutes 13.34 seconds.

In the last race of the day, U.S. men's 4x100-meter freestyle, challenged most of the by Australia, pulled ahead at end to win the gold in the 200-meter time of 3:19.03.

It was the third U.S. success of 100-meter freestyle, George Dion and John Mykkanen finished in the 400-meter freestyle, and T. Menzies and Jenna Johansen gold-silver in the 100-meter butterfly.

Stavren of the Netherlands captured the 100-meter stroke in 1:09.88, snapping German Ute Gewentger's record.

S. Canadian and West German swimmers have broken 1 world records and three marks. However, the men have only set one world record and four Games marks.

West German Sets Games Record, but Misses Gold

United Press International
LOS ANGELES — Thomas Fahrner of West Germany swam the fastest ever Olympic men's 400 meters freestyle Thursday — but went home without the gold medal.

Fahrner, 21, won his morning heat. However, his time, the ninth fastest overall, was too slow to qualify for the eight-swimmer medal race.

But in the afternoon, he won the "B" final in 3:50.91 minutes to set an Olympic record. He covered the distance 32-100ths of a second faster than U.S. gold medalist George Dicarlo, who only minutes earlier had improved Soviet swimmer Vladimir Salnikov's Moscow Games mark of 3:51.31.

The International Swimming Federation Bureau (FINA) decided Fahrner's time should stand as an Olympic record, even though the race is not considered an Olympic event.

Fahrner, an economics student who trains in France, admitted that he had misjudged his swim in the heats. "I decided then I wanted to swim faster in the finals than the [gold medal] winner," he said. "When I saw DiCarlo's time, I was convinced I could beat it. I should have swum as hard as I could this morning instead of trying to take it easy and just qualify."

There was celebration in the Canadian camp when Davis broke his own record of 2:14.58 set in June at the Canadian Olympic Trials and also eclipsed the Olympic mark of 2:15.11 established in 1976 by David Wilkie of Britain.

Davis, 20, earlier swam under the world record in the 100-meter breaststroke, only to lose to Steve Lundquist of the United States. Thursday night in the 200 he pushed the pace from start to finish in a magnificent effort.

Glenn Beringer of Australia captured the silver medal in 2:15.79, and Etienne Dagon of Switzerland won the third-place bronze, his country's first ever swimming medal, in 2:17.41.

The gold medal means everything to me; that's what I've been working for all year," Davis said. "I had planned to come here to win two, but unfortunately Steve Lundquist went a little bit faster."

The Australian relay team had edged the U.S. men in the morning preliminaries with an Olympic mark of 3:19.94, but the substitution of Mike Heath and 100-free-style gold medalist Rowdy Gaines for Tom Jager and Robin Leamy made the home team the favorite.

here. It was tough to watch Australia go so fast. I was scared to death of Stockwell."

Van Staveren led the 100-breaststroke all the way, with Anne Ottenbrite of Canada edging Catherine Poirot of France for the silver by one-hundredth of a second. Poirot was earning the first swimming medal for France since 1968.

Olympics records continued to fall in the qualifying heats Friday.

Michael Gross of West Germany, who's already won two gold medals and set two world records in qualifying for the final of the men's 200-meter butterfly. Gross was timed in 1:58.72.

In the previous heat, Pablo Morales of the United States broke the Olympic record 1:59.23, set in 1976 by Mike Bruner of the United States. Morales' time was 1:59.19.

Tracy Caulkins of the United States also established an Olympic record in qualifying for the final of the women's 200-meter individual medley. Caulkins, in 2:14.47, led 12 swimmers past the previous record of 2:23.07, set by Shane Gould of Australia in 1972, the last time the event had been contested in an Olympics.



Victor Davis celebrates his breaststroke victory: "The gold medal means everything to me."

Track Body Questions 2 World Marks

By Our Staff From Dispatches
LOS ANGELES — Recent 100-meter performances by Fernando Mamede of Portugal in the 30-meter run and Ingrid Kristensen of Norway in the 5,000 meter under investigation by the International Amateur Athletic Federation because of possible violations of IAAF rules, organization officials said Thursday.

Imo Nebiolo, president of the IAAF — the international governing body for track and field — and Holger Hilt, its secretary-general, that Mamede was being investigated for "alleged unfair practices" and Kristensen for "question of record falsification" scheduled for the next IAAF meeting in Canberra, Australia, in July.



Koji Gushiken on the pommel horse, making up for the medal he missed in Moscow.

On July 2 in Stockholm, Mamede ran the 10,000 in 27 minutes 1 seconds, beating the 27:22.4 by Henry Rono of Kenya in 1980.

Kristensen, the first woman to break 15 minutes in the 5,000, 14:58.89 June 28 at a meet in beating both the recognized record of 15:08.26 set by Yvonne Decker, an American, and unofficial mark of 15:01.83 set by Zola Budd, the South African recently became a British citizen. Budd's time is unofficial because she ran it before changing her citizenship, and the world body does not recognize records set by African athletes.

From various sources, including TV film, it was clear there were unusual aspects of Fernando Mamede's race," Hilt said. "They told competitors who had lapped, who slowed down, speeded up again when he hit up to them."

Hilt said there also appeared to be unauthorized people on track assisting Mamede.

In view of these unusual circumstances, the council felt it should be investigated," Hilt said. "Just cannot have world records being set with rules being blatantly infringed."

Hilt said Kristensen had been caught with breaking what he called the IAAF's Rule 53, which states athletes to display anything on their numbers or club logos to competitors.

Nebiolo announced no world records would be set without proper doping control.

My athlete setting a world record must submit to a drug test in an hour."

IOC Ejects Japan Masseur in Dope Incident

The Associated Press
LOS ANGELES — A Japanese masseur who gave a forbidden herbal drug to a member of Japan's volleyball team has been banned from the Olympic Games for 12 years, and the Japanese team was given a "severe warning" over the incident.

But the International Olympic Committee took no action against the player, who it said unknowingly took the drug.

The masseur, Yoshitaka Yahagi, sat beside top officials of the Japanese team at a news conference shortly after the International Olympic Committee banned him from "the present and the next two Olympic Games."

"I very deeply regret my action," Yahagi said with downcast eyes. He was ordered to leave the Olympic Village.

Italian Fencer Triumphs In Sudden-Death Drama

United Press International
LOS ANGELES — Mauro Numa of Italy scored a dramatic sudden death victory over Matthias Behr of West Germany late Thursday to win the gold medal in the Olympic men's foil fencing tournament.

Italy also collected the bronze medal when Stefano Cerioni defeated Frederic Pietruszka of France by a score of 10-5.

Numa fought back in his two final matches from losing positions after it seemed he had little chance to take the gold medal. In the early going, both Numa and Behr were reluctant to concede points, alternating touches for the first six points. The German's aggressive style then enabled him to push ahead for four straight touches.

Behr seemed to mock the Italian's defensive style and bouncing manner, daring Numa to attack by lowering his weapon and stamping his lead foot at Numa. Yet when Numa took the bait, Behr unleashed swifter parries and ripostes. Then Numa seemed to find his own pace, scoring the next four touches.

With the clock set at 15 seconds left in the bout, the men alternated the next four points, tying the score with one second remaining. Numa won the final point in sudden death overtime. The final score was 12-11.

His Italian teammates and coaches crowded around him cheering and leaping with joy.

In the bronze medal round, Cerioni was on the offensive and got even stronger as the bout progressed, scoring the last four touches in a row. In the earlier round, Pietruszka of France upset the world champion, Andrea Borella of Italy, 10-6.

About 3,000 spectators turned out in Long Beach's Terrace Theater to watch the formal affair on a blue-carpeted stage decorated with potted flowers. A double row of officials were seated behind the white fencing strip, and the judges all wore tuxedos for the finals.



Mauro Numa's supporters joined him with gestures of triumph after the Italian beat Philippe Omnes of France.

French Rowing Shell Is Sabotaged

Los Angeles Times Service
LAKE CASITAS, California — A sabotage is apparently on the loose in international rowing circles.

For the second time in two weeks, this time in the Olympic Games, a boat has apparently been tampered with. The latest incident came Thursday in the men's eight-oar repechage heat at Lake Casitas, where the French boat lost all chance at 700 meters into the 2,000-meter race.

as a cover for the oarlock, keeping the oar in place.

An identical incident happened to the U.S. women's four-with-coxswain crew two weeks ago in the International Junior Championships at Jonkoping, Sweden. Because of the first incident, Olympic officials checked the French oarlock after Thursday's race and found evidence of foul play.

Later, Thomas Keller, president of the International Rowing Federation, which governs the sport, ruled that the French eight deserved another chance. Despite finishing last in Thursday's five-boat repechage, France will be added to the final on Sunday, making it a seven-boat race.

The other countries agreed with my decision," Mr. Keller said. "There was applause when they heard it."

Mr. Keller said the damage to the oarlock was "willful."

"It was very cleverly done," he said. "I would say that a file was used to do the job."

Mr. Keller said the evidence indicated that the damage had probably been done before France rowed in its first Olympic race on Tuesday, and probably before the shell arrived at Lake Casitas.

"We have no idea who would have enough of an interest to do something like that and why the French eight," Mr. Keller said.

"There's no reasonable explanation. It's very sad that things like this do happen."

Mr. Keller's decision allows France to advance to the finals even though it has finished last in both of its preliminary races. On Thursday, France finished behind Australia, Canada, Britain and Chile.

Four of the five boats were supposed to make the finals, joining the United States and favored New Zealand, which both won opening heats on Tuesday.

Mr. Keller said there would be no investigation into the oarlock incident.

"Since we are convinced that it happened before the boat got here, nothing could be accomplished," he said. "And besides, we are not investigators. Crews are responsible for their own equipment, and they must check their boats carefully in view of this."

As Olympians Scream Foul, Games Officials Wrestle With Age-Old Problem of Inconsistent Judging

By John Feinstein
Washington Post Service
LOS ANGELES — The Americans screamed foul and they screamed on Wednesday, when the women's team gymnastics competition was over, the Romanians had the gold and the U.S. had the silver.

And so, as happens at every Olympics, accusations were traded. The U.S. coaches protested the Romanian beam judge had consistently scored the U.S. lower than it deserved. The Americans pointed out the U.S. judges' scores for Americans were as high as the Romanians were low.

Meanwhile, perfect 10s were being handed seemingly at will.

"The rules are screwed up," said Mike Jacki, president of the U.S. Gymnastics Federation. "Athletes have far out-accelerated the rules that's one reason why there are so many 10s. What happened Monday [in the compulsory where there was also a Romanian superior on the floor exercises] was simple: the judges thought they were protecting their own skins. That's the problem with judging in gymnastics. A good judge is someone who peeks behind the scenes and understands the rules."

Gymnastics is not the only sport at the Olympics with judging controversies. Boxing traditionally has been marred by strange decisions. Diving judges often are accused of national bias. And basketball had the most talked about judging decision of all, the one in 1972 that resulted in the United States' only loss in Olympic basketball.

Consider the first four days of these Olympics.

Day One: Minutes after the boxing competition began, there was a problem. The second bout of the day matched Shane Knox from Australia and Charles Lubulwa from Uganda. According to four of the five judges, Lubulwa won the fight. According to most who saw the bout, Knox won. Most puzzling though was this: one judge who sat at ringside, reportedly an expert on the sport, scored all three rounds for Knox. Two other judges, also experts, gave all three rounds to Lubulwa.

"Most disturbing," admitted Sydney Ashton, a gentle Australian who is the supervisor of the 44 judges and referees here. "We don't like to see such differences."

Day Two: The first gymnastics flap. During the compulsory round, the U.S. coach, Don Peters, filed four judging protests. When it was over, he called the Romanian beam judge "abominable."

Biased judging is as much a part of the Olympics as medal ceremonies.

"Eastern Bloc judges know that if they don't take care of their teams they won't be sent back," said one judge, who asked not to be identified. "Western judges know that and they try to even things up. It's a vicious circle."

Day Three: Moments after his Canadian basketball team was routed by the U.S. men, Coach Jack Donahue criticized the officiating. Pointing out that his team would have lost anyway, Donahue said the referees are intimidated by the U.S. coach, Bob Knight.

"When he calls them, they report to him for instructions," Donahue said. "The U.S. is going to get the calls playing here. ... I just wish the refs would shut their mouths and referee the game. If they want to watch the U.S. play, let them buy a ticket."

Later that same day, after Rowdy Gaines of the U.S. swimming team won the 100-meter freestyle, there was considerable complaining about a quick start. Gaines agreed with the other seven swimmers that it was too fast. A protest was filed and denied.

Day Four: Gymnastics again. After the Romanians beat the U.S. women for the team gold,

the Americans were still furious about the judging. "It just cannot go on this way," says Bela Karolyi, the ex-patriate Romanian coach who now coaches several top Americans. "There must be changes in the rules and in the judging."

There have also been judging problems in wrestling, field hockey and shooting. And diving does not even begin until next week.

One of the most celebrated controversies in the Olympics was in basketball in 1972, when the U.S. men lost by one point to the Soviet Union after F. William Jones, secretary-general of FIBA, came out of the stands and ordered the final three seconds of the game replayed.

Edward Stetz, secretary of the Amateur Basketball Association of the United States, said: "He sat in my house seven years later and said he never dreamed the Soviets would go 94 feet in three seconds. But he never actually said, 'I blew it.'"

Since then, the rules in basketball, and in many other sports, have been reformed. Stetz is one of three men now in charge of the referees at the Olympics.

"Munich could never happen again, because one man from one country would never be allowed to make such a decision," Stetz said. "A controversy like that would come to us first and then go to another panel."

Boxing, which has traditionally been the scene of judging fiascos that would make Knox-Lubulwa seem tame, reformed its rules in 1982. Now, if the judges score a fight 3-2, a five-man panel of jurors is consulted. If the jurors scored the fight 4-1 the other way, the judges are reversed.

Gymnastics has not moved as quickly. But next year, women's events will have six judges per exercise instead of four, and Jacki expects the men to go to six judges shortly. In fact, Jacki thinks both men and women may be using eight judges before the 1988 Olympics.

"The more different inputs you have the better your chances for objectivity," he said. "If you use more judges, more nations are involved and you have more neutrality. And, if a judge is scoring particularly high or low, it is that much more noticeable."

Jacki believes that the rules in gymnastics need overhauling. "The athletes have out-accelerated the rules," he said. "The rules haven't changed as fast as the athletes have changed."

[Nadia] Comaneci undoubtedly earned the [perfect] 10s she received in Montreal, but after that, there was so much pressure in gymnastics for there to be 10s given. It got to be like the Indy 500 where everyone wants to see a crash. Everyone wants to see a 10.

"Now, if someone scored a 9.9, people say he screwed up. The fact is there is no such thing as a perfect exercise because no matter how good you are, the next guy can be better."

The proliferation of 10s here has caused considerable comment from the gymnasts. After eight 10s were handed out on the first day of men's competition, the American Bart Conner said, "It's gotten to the point where a 9.9 is the same as a certificate of participation."

Jacki believes there should be more emphasis on degree of difficulty in routines. As an example he cited Tuesday's men's team finals. In the rings exercise, two of the Chinese men received 10s after doing relatively simple dismounts. Three American men then tried more difficult dismounts, just missed hitting them perfectly and were penalized. Then American Mitch Gaylord finished his routine with a dismount similar to the ones done by the Chinese. He scored a 10.

"There needs to be more accounting for that extra degree of difficulty tried by the other guys," Jacki said.

Others in the international gymnastics federations agree. A recent coup among members of the technical committee removed its long-time leaders who had hesitated to change the rules. Many people now believe change will come more quickly.

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| Vol. | 1,187,117 | 122.34 | 121.75 | 122.25 |

| Friday's NYSE Closing | | | | |
|-----------------------|-----------|--------|--------|--------|
| Vol. | High | Low | Close | Change |
| Indus. | 1,187,117 | 122.34 | 121.75 | 122.25 |
| Transp. | 1,187,117 | 122.34 | 121.75 | 122.25 |
| Comp. | 1,187,117 | 122.34 | 121.75 | 122.25 |
| Unch. | 1,187,117 | 122.34 | 121.75 | 122.25 |
| Vol. | 1,187,117 | 122.34 | 121.75 | 122.25 |

| AMEX Diaries | | | | |
|--------------|-----------|--------|--------|--------|
| Index | High | Low | Close | Change |
| Indus. | 1,187,117 | 122.34 | 121.75 | 122.25 |
| Transp. | 1,187,117 | 122.34 | 121.75 | 122.25 |
| Comp. | 1,187,117 | 122.34 | 121.75 | 122.25 |
| Unch. | 1,187,117 | 122.34 | 121.75 | 122.25 |
| Vol. | 1,187,117 | 122.34 | 121.75 | 122.25 |

| NASDAQ Index | | | | |
|--------------|-----------|--------|--------|--------|
| Index | High | Low | Close | Change |
| Indus. | 1,187,117 | 122.34 | 121.75 | 122.25 |
| Transp. | 1,187,117 | 122.34 | 121.75 | 122.25 |
| Comp. | 1,187,117 | 122.34 | 121.75 | 122.25 |
| Unch. | 1,187,117 | 122.34 | 121.75 | 122.25 |
| Vol. | 1,187,117 | 122.34 | 121.75 | 122.25 |

| AMEX Most Actives | | | | |
|-------------------|-----------|--------|--------|--------|
| Symbol | Vol. | High | Low | Close |
| AT&T | 1,187,117 | 122.34 | 121.75 | 122.25 |
| IBM | 1,187,117 | 122.34 | 121.75 | 122.25 |
| GE | 1,187,117 | 122.34 | 121.75 | 122.25 |
| AMC | 1,187,117 | 122.34 | 121.75 | 122.25 |
| AMF | 1,187,117 | 122.34 | 121.75 | 122.25 |

| NYSE Diaries | | | | |
|--------------|-----------|--------|--------|--------|
| Index | High | Low | Close | Change |
| Indus. | 1,187,117 | 122.34 | 121.75 | 122.25 |
| Transp. | 1,187,117 | 122.34 | 121.75 | 122.25 |
| Comp. | 1,187,117 | 122.34 | 121.75 | 122.25 |
| Unch. | 1,187,117 | 122.34 | 121.75 | 122.25 |
| Vol. | 1,187,117 | 122.34 | 121.75 | 122.25 |

N.Y. Prices, Volume Soar

(Continued from Page 1)

climbed \$75 per \$1,000 Treasury issues in the last week.

The Labor Department said Friday that unemployment fell by 350,000 in July but a separate survey of payrolls showed a gain of 300,000.

Despite the uncertainty of the unemployment report, said Newton Zinder of E.F. Hutton, "The market is telling us the economic recovery is sustainable at a more moderate pace, that interest rates may in fact decline and certainly will go no higher."

AT&T, which rose 1/4 Thursday, was the most active NYSE-listed issue, up 3/4 to 122 1/4. AT&T proposed a nationwide bridge that would allow customers to establish teleconference calls for up to 59 locations without operator assistance.

Merrill Lynch was second, up 3/4 to 31 1/4. Among the other brokerages, American Express rose 3/4 to 33 1/4, E.F. Hutton 2 1/4 to 34 1/4, First Boston 2 1/4 to 36 1/4, Phibro-Salomon Brothers 2 1/4 to 30 1/4, Paine Webber 3 1/4 to 35 1/4, A.G. Edwards 1 1/4 to 27 1/4, Donaldson, Lufkin & Jenrette 1 1/4 to 21 1/4, Dreyfus 2 1/4 to 33 1/4 and Advent 1 1/4 to 11 1/4.

IBM, which rose 2 Thursday, was third, up 5/4 to 120 1/4. The European Community suspended its four-year-old antitrust suit against IBM, saying the company had agreed to halt anti-competitive practices.

Chrysler was fourth on the list, up 1/4 to 29 1/4. General Motors rose 2 1/4 to 72 1/4, Ford 1 1/4 to 43 1/4, American Motors 1/4 to 5 1/4 and Honda 4 1/4 to 55 1/4. The automakers had strong July sales.

Teledyne climbed 6 to 266 1/4. Texas Instruments rose 1/4 to 136 1/4, Digital Equipment 6 1/4 to 96 1/4, Hewlett-Packard 1 1/4 to 40 1/4, Motorola 2 1/4 to 39 1/4 and Data General 3 1/4 to 33 1/4.

Among the other blue-chip issues, Allied Corp. gained 1/4 to 32 1/4, Alcoa 1 1/4 to 35 1/4, General Electric 2 1/4 to 56 1/4 and International Paper 2 1/4 to 54 1/4.

Also, Merck gained 2 1/4 to 88 1/4, Minnesota Mining & Manufacturing 2 1/4 to 81 1/4, Owens-Illinois 1 1/4 to 39 1/4, Procter & Gamble 1 1/4 to 55 1/4, Union Carbide 2 1/4 to 54 1/4 and United Technologies 1 1/4 to 30 1/4.

James River rose 3/4 to 30 1/4, even though the company said its first-quarter earnings would be flat.

Financial Corp. of America fell 1/4 to 9 1/4. The company's growth in deposits slowed in July from a rapid pace earlier this year.

Ponderosa Systems added 3/4 to 18 1/4. It lost 1 1/4 Thursday after two brokerage houses lowered their earnings estimates.

St. Regis, which has agreed to merge with Champion International, rose 1/4 to 49 1/4. Publisher Rupert Murdoch said he would not pursue his St. Regis offer any further.

BA to Cut Fares

LONDON — British Airways said Friday it will cut air fares to West Germany by up to one-third.

From Oct. 1, return fares on selected flights between London and Cologne would cost £55 pounds (\$72), compared with £87 at present. Fares to other destinations in West Germany will be reduced by similar amounts, BA said.

BA, which is state-owned, recently cut the return fare between London and Amsterdam to £49 from £87.

Friday's NYSE Closing

Vol. 4 P.M. vol. 23,770,000
Prev. consolidated close 28,454,538

Tables include the nationwide prices up to the closing on Wall Street

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AMEX Diaries

Vol. 4 P.M. vol. 23,770,000
Prev. consolidated close 28,454,538

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NASDAQ Index

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AMEX Most Actives

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Stocks
Port, Page 14

TURDAY-SUNDAY, AUGUST 4-5, 1984

ECONOMIC SCENE

Continental Case Unlikely
to Spur More Risk-Taking

By LEONARD SILK
New York Times Service

NEW YORK — Walter B. Wriston, who is going off to play tennis for the rest of the month, just before his retirement from the chairmanship of Citicorp, the largest U.S. bank, rejects the charge that he or other bankers took "unbankerly" risks because they were convinced that the government would never let the big banks fail. "It's a lot of nonsense," he declared in an interview, "to say we are reckless because we expect that they will bail us out."

"Human motivations," he adds, "are basically to excel and do the best you can — not to do poorly on the hope that someone will rescue you."

Following the debate over what caused the near-collapse of the International Bank of London and the London-based Bank of America, and what should be done to prevent future disasters, attention is focusing on whether a financial system or whether the expectation of such a rescue is undermining the system's ability to lead to a more stable financial system.

Mr. Wriston says he would never deny that "some bad loans were made," but he insists that the root cause of the overextension of credit was that "nobody foresaw the worldwide recession, worst in the postwar period."

And he contends that the recycling of petrodollars by private banks was essential to keep the developing countries afloat, and that he and other bankers were right to decide risks were acceptable. He maintains that Mexico and most of other debtors are out of danger and that "only Argentina and Philippines" are still in serious jeopardy.

Of the \$350 billion in developing countries' debt, he says, "all \$37 billion" is safe. "Rolling it over," he adds, "is the issue." Mr. Wriston clearly does not relish the idea that he is being urged — as in the book "Debt Shock" by Darrell Delamonde — to act in a business week and other periodicals — as the cause of an overextended, fragile banking system.

As Business Week put it, "Hundreds of bankers believe, or leaved, that the Citicorp style — innovative, entrepreneurial, risk-driven, aggressive — was the style to emulate if they were to survive in an unregulated market."

John Heimann, the deputy chairman of Becker Paribas Inc., a former U.S. Comptroller of the Currency, says, "Unquestionably, Mr. Wriston was the leader in the worldwide expansion of the banks, but the problem was not Walter Wriston or the risks set up by Citicorp but the pressures that built on persons less capable in managing it."

Since the debt crisis broke, many American and European banks interviewed by this correspondent have said they were "so much driven to maximize profits as trying to keep their heads up in the face of intensified competition. Their zeal kept them up led to blunders later exposed by the world slump, as the decade at Continental Illinois and the threat to other major institutions is a reprise of the classic banking cycle."

The biggest risk-takers are hailed as heroes and fools in the same breath when the falling economy proves some went too far. The issue remains whether, in the face of danger to the system, the banks like Continental should be rescued. Free-enterprise (Continued on Page 17, Col. 5)

Offering
By Jaguar
Popular

The Associated Press

LONDON — The British government's public offering of stock in luxury carmaker Jaguar PLC appears to be "substantially oversubscribed," underwriters Hill Samuel & Co. Ltd. said Friday.

A spokesman for the underwriters said it received more than 250,000 applications by the time the offer closed Friday morning.

There are nearly 178 million ordinary shares of Jaguar being offered at 165 pence (\$2.17) a share, setting a price of more than \$290 million on the company. The spokesman said the extent of the oversubscription depends on the allotment sought in each application.

The spokesman said there seemed to be a lot of interest from small investors.

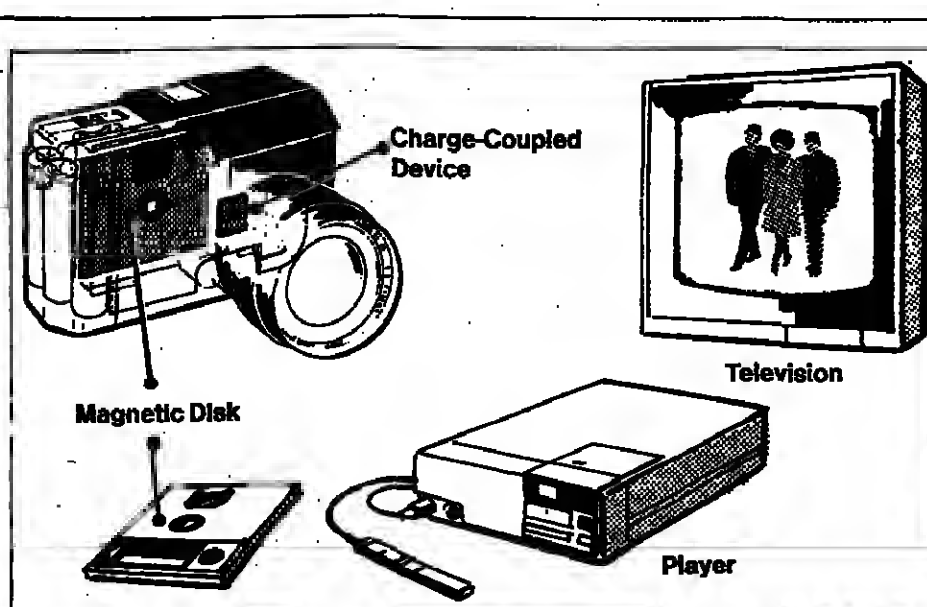
The applications will be sorted over the weekend, and allotments announced Monday. Jaguar's shares are scheduled to appear on the London stock market Thursday.

Last-minute investors lined up early in the morning outside a branch of Barclays Bank waiting to drop off their applications when the bank opened. A Barclays spokesman described the scramble for shares as "pandemonium."

The public offering is the latest in a series of disposals of state-owned companies by the Conservative government.

Jaguar has swung sharply back into the black in recent years, with profit of \$50 million in 1983, up sharply from \$2.6 million a year earlier, and losses of \$31.7 million in 1981 and \$47.3 million in 1980.

For the first quarter of 1984, Jaguar posted pretax profit of \$18 million. The company is expected to show a profit of \$41 million for the first half of 1984, up from \$25 million last year.



The main elements in the electronic camera system of Sony Corp. of Japan.

Despite Delays and Problems, Sony
Goes Ahead With Electronic Camera

By Andrew Pollack
New York Times Service

TOKYO — Sony Corp.'s chairman, Akio Morita, showed off a product in 1981 that he hailed as "a revolutionary development in photographic history."

The product, called Mavica, was an instant electronic camera that could take still pictures using a magnetic disk instead of film and then show them on a television screen. It seemed to promise a vast new market for Japan's consumer electronics wizards.

But Mr. Morita's electronic photography revolution has yet to get under way. Sony, which said the product would go on sale in 1983, still has not made it available.

Analysts and competitors say that Sony's announcement was premature. They surmise that it was intended to bolster the company's image as an innovator and perhaps its stock price, too.

"We can't say when we'll market it," admitted Yoshiaki Baba, general manager of planning and control for Sony's video group.

Despite the problems, both Sony and its competitors are pushing ahead with the electronic

camera, first as an expensive item for industrial use and, eventually, as a consumer product.

Canon is testing its electronic camera at the Olympic Games in Los Angeles. The company said it intended to market an industrial electronic camera no earlier than the end of 1985. Such cameras will not be competitive with conventional cameras for consumer use for five years, a Canon spokesman said.

The Mavica and other electronic cameras work by using a special electronic chip to turn images into electronic signals that are stored on a magnetic disk. The disk, 1.85 inches (4.5 centimeters) in diameter, is similar to the 5 1/4-inch floppy disks used to store computer data.

This photographic disk, which holds 50 pictures, can be put into a special player, and the pictures can be displayed instantly on a television screen. The disks can be erased and reused. Sony also announced a special printer to make permanent copies of the pictures.

Sony says a major reason for the delay in marketing the camera is because it is waiting for the

(Continued on Page 17, Col. 5)

U.S. Jobless Rate
Increased 0.4%
To 7.5% in July

By Jane Seaberry
Washington Post Service

WASHINGTON — The unemployment rate in the United States leaped in July from 7.1 percent to 7.5 percent, the first increase in 20 months.

The number of jobs fell by 355,000 last month and the number of Americans unemployed increased to 8.5 million from 8.1 million in June, the Labor Department reported.

The number of unemployed and the rate of unemployment both returned to levels reached in May.

Administration officials said Friday that they considered the increase to be no cause for alarm. It "rather reflects a pause in our steady march to economic prosperity," said one.

Labor Secretary Raymond J. Donovan said that "we should not read too much into the July data."

The unemployment figures "coupled with a number of recently released economic indicators are showing that the economy, which many economists felt was in danger of overheating, is now settling into a more sustainable growth path."

However, some Democrats said the sharp rise suggested that the economy is on the verge of a severe slowdown.

At a hearing of the Joint Economic Committee on the unemployment figures, Senator William Brock, Democrat of Wisconsin, noted that other recent government statistics, such as the sale of single-family houses, new orders for factory goods and the index of leading economic indicators, have turned down in June.

"It looks as if the recovery may

be slowing down and coming to a halt," he said.

Private economists were more sanguine, pointing to another Labor Department employment survey of businesses that showed a rise of 300,000 in new jobs last month. The Labor Department could not explain the discrepancy.

Alan Greenspan, an economist and a former chairman of the Council of Economic Advisors who sometimes counsels President Ronald Reagan, said that the number of layoffs "is still quite low" and that it is more important to President Reagan's re-election chances than the unemployment rate.

Dollar Declines
As Gold Gains

United Press International

NEW YORK — The dollar fell sharply Friday on evidence that U.S. interest rates have peaked.

After record highs in Europe Wednesday, the dollar declined as traders reacted to evidence that the American economy is slowing down and to a fall in the U.S. money supply. In New York, the dollar closed at \$350.50, up from \$344.50 Thursday.

In New York, the dollar was trading at 2.8505 Deutsche marks late in the day, down from 2.8573 Thursday; at 241.325 yen, down from 244.45; and at 8.78 French francs, down from 8.8675. The pound traded at \$1.3205, up from \$1.3215.

Experts Say IBM Gave Up Little in Its Antitrust Settlement With EC

By Eric N. Berg
New York Times Service

NEW YORK — Industry experts say that the antitrust settlement announced Thursday between the European Community's Executive Commission and International Business Machines Corp. appeared to be a compromise. Both sides made concessions and both claimed victory.

"By agreeing to provide technical information about its computers sooner and in more detail, IBM has given a big boost to rival computer makers around the world, the experts said Thursday."

But at the same time, they added, the actual concessions the company made were small and will not force it to significantly change its business practices.

"This agreement will do little to change the competitive balance in the computer industry, either in Europe or elsewhere in the world," said Thomas J. Croy, a computer industry analyst at Gartner Group, a Wall Street firm. "IBM has given up nothing."

"IBM's competitors will definitely have something that they didn't have before," said David C. Moschella, an industry analyst at International Data Corp., "but whether that is enough to make their business is debatable." International Data Corp. is a research and consulting firm specializing in computers.

Among those companies that could gain the most as a result of the settlement, industry analysts said, are Japanese concerns such as Fujitsu Ltd. and U.S. companies such as Amdahl Computer Corp. and National Advanced Systems Inc. All three sell computers compatible with IBM machines and therefore depend on technical information from IBM.

The settlement is lengthy and complex, representing thousands of hours of intense negotiations between IBM lawyers and EC Commission officials.

For competitors, however, at the heart of the document are four provisions: one relating to computer memory; a second and third to the

linking of computers to printers, disk drives and other peripheral devices; and a fourth relating to computer programs. It is the second and third provisions that evoked the strongest response from makers of computer equipment interviewed on Thursday.

The second point calls on IBM to disclose, within four months after announcing a new product in Europe, technical "interface information" so that companies can easily attach devices of their own to IBM machines. In the past, these makers of so-called peripheral equipment had to wait until IBM shipped its product before they could get the information they needed to build their own machines. This sometimes took as long as two years from the product announcement date and gave IBM a big advantage over European rivals.

"We expect the settlement will benefit companies worldwide," said Richard A. Whitecomb, a spokesman for Amdahl, based in Sunnyvale, California. "Access in the information re-

leased as a result of the settlement may be of help to us and our customers," said David Martin, the president of National Advanced Systems, a subsidiary of National Semiconductor Corp., of Santa Clara, California.

The third point in the settlement calls on IBM to provide competitors with "adequate and timely" technical information on IBM's Systems Network Architecture—a set of rules and procedures that IBM computers use to communicate. The most immediate consequence of the clause is that it will make it easier than ever for disparate computer systems to "talk" with IBM machines. The European

hope this will boost sales for Continental computer manufacturers such as Olivetti of Italy and Siemens of West Germany.

The dissemination of information on IBM's complex system architecture could also prove a boon to business corporations in America that have two or more computer systems in their offices that cannot communicate.

"Theoretically, if this information is made widely available, it could be of interest to thousands of companies. It would definitely help companies with multiple networks," said John C. Scott, a vice president for International Marketing at Storage Technology Corp., a Colorado-based maker of memory devices.

Although there seems little doubt that competitors and customers here and abroad will benefit from IBM's concessions, industry specialists said it is far from clear that IBM lost much.

Some experts even contended that the concessions are in IBM's interest.

CURRENCY RATES

Late interbank rates on Aug. 3, excluding fees.

1st findings for Amsterdam, Brussels, Milan, Paris, New York rates at 4 P.M. EDT.

| | \$ | D.M. | F.F. | £ | Y. | S.F. | Y. |
|------------|----------|--------|----------|----------|-------|--------|--------|
| London | 4.298 | 112.07 | 36.76 | 1.6308 | 5.878 | 133.72 | 133.70 |
| Paris | 1.3485 | 112.07 | 36.76 | 1.6308 | 5.878 | 23.95 | 23.95 |
| Brussels | 3.796 | | 39.28 | 1.627 | 86.65 | 4.94 | 118.78 |
| Milan | 2.755 | 112.07 | 36.76 | 1.6308 | 5.878 | 7.945 | 7.945 |
| Amsterdam | 2.233.80 | 614.76 | 112.07 | 36.76 | 54.30 | 30.357 | 73.59 |
| Frankfurt | 1.3485 | 2.8995 | 8.78 | 1.6308 | 3.255 | 8.909 | 2.602 |
| Geneva | 1.3485 | 304.09 | | 5.878 | 27.02 | 15.163 | 36.425 |
| Zurich | 3.203.20 | 84.53 | 27.56 | 13.50 | N.A. | N.A. | 708.04 |
| Stockholm | 414 | 33.04 | 84.255 | 27.56 | 6.332 | 74.69 | |
| Copenhagen | 8.075 | 2.9480 | 8.875 | 1.591.49 | 4.69 | 43.569 | 1.885 |
| Helsinki | 449 | 0.9375 | 2.531.64 | 87.50 | 1.326 | 9.329 | 2.474 |

